



# The Nation's Business

Agriculture . Mining . Manufacturing  
Transportation . Distribution

Entered as second-class matter, February 18, 1913, at the Post-Office at Washington, D. C., under the Act of March 3, 1879.



Finance . Education . Professions  
Government . Altruism

Volume II.  
Number 4

PUBLISHED BY THE CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA  
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## Referendum on An Interstate Trade Commission

The Special Committee of this Chamber on Antitrust Legislation has made its report.

Under the resolution of the Annual Meeting, a Referendum on that report is now in progress.

The report covers only those principles immediately involved in the Interstate Trade Commission, proposed by a bill now in Congress.

All other antitrust legislation is still indeterminate in form and the Committee therefore leaves it untouched.

Every patriotic motive justifies earnest discussion and decision relative to the Referendum; for over two hundred and fifty thousand corporations, excluding railroads and banks, are embraced in the scope of the bill.

Owing to the vast number of industries interested, they can only be heard effectively through the votes of their various organizations in this Chamber. As will be seen by the analysis of membership in this issue, these organizations number 546 and cover forty-seven states.

Urgent reasons exist in Congress for wishing to terminate the present session at an early date.

It is of great importance, therefore, that all organizations federated in the National Chamber should act promptly.

Committees of Congress have shown themselves ready and willing to receive constructive suggestions. Consequently, the vote of organizations on the principles involved in the proposed bill is desired without delay.

Forty-five days are given by the By-Laws for voting, but action earlier is very desirable.

When two-thirds of the voting strength is heard from the result can be announced immediately.

Therefore, every business man who reads this and is also a member of an organization affiliated with the National Chamber should make it his business to urge the officials of his organization to call a meeting at once to discuss the Referendum, vote on its principles and report back to National Headquarters.

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# THE NATION'S BUSINESS

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G. GROSVENOR DAWE  
Editor

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THE most important function of the Chamber of Commerce of the United States is to ascertain national business opinion and to make it known. The Referendum method is its device for such a purpose. The constituent members are again called upon to make their opinions known—in this instance on the proposed Interstate Trade Commission, a plan that will affect every corporate activity in the nation, outside of railroads and banks. In this issue a summary of the report on which the Referendum is based is included on page 3. It will give a clear idea of the gist of the recommendations of the Chamber's Special Committee on Antitrust Legislation. The full report and ballot sheet, together with supporting documents, has been mailed to every constituent organization. The members of constituent organizations have a duty to perform—to bring the organization to a vote as quickly as possible.

THE influence of the commercial organizations of the Nation, now that a means has been devised for bringing their opinion into sight through the National Chamber, is indicated in the statements appearing on page 5, relative to the Referendum taken among organizations in favor of broadened functions for the Bureau of Foreign and Domestic Commerce in the Department of Commerce. The results of the Referendum prove that the Government is desirous of receiving constructive suggestions from those whose experience or whose organized efforts give weight to their opinions.

It is important for commercial organizations to realize, however, that the Department of Commerce has not yet come to any such scientific elaboration as that achieved in the older Department of Agriculture. The field of commerce offers just as great opportunities for stimulation as does the field of agriculture. Consequently organizations must not, because of the immediate response to their efforts, regard the endeavors of the Department of Commerce as completed.

The Department of Commerce which was organized only in 1903 has been gradually developing for a number of years and coming to a realization of its power as a promotive influence in foreign and domestic commerce. It has needed just exactly

the aid which the National Chamber through its Committee and its Referendum has been able to give it. It has needed the active, intelligent support of all organizations of business men whose interests as a whole would be benefited by increasing commercial activity at home and abroad. To secure results in the line of government promotion, adequate appropriations are necessary.

It should be noted in the story of the Referendum that the appropriation of \$100,000 for commercial attaches was ruled out on a point of order in the Committee of the whole of the House. It is hoped that it will be restored in the Senate by means of an amendment. It is suggested that organizations keep in close touch with all further efforts in this direction since the commercial attaché can come to serve a most useful purpose in commercial promotion.

A vigorous and impressive statement appears in this issue relative to the needs of children, the advantages of vocational education, and the added national strength which will come from guiding young people into productive work. Mr. H. E. Miles, the writer of the article, points out the almost fatal weakness in our educational system, in that children are willing to leave school early because there is little or nothing for their hands to do. The normal child enjoys objective occupation while too much imparting of knowledge is purely subjective.

It is appropriate in drawing attention to Mr. Miles' paper to emphasize the fact that, as society has assumed the task of educating the youth, society should endeavor to provide a means whereby each individual brought under its training may rise to a life of conscious satisfaction, may come to the joy of achievement, may learn to dignify whatever labor he is called upon to perform, and may, through such service rendered in return to society, come to realize for himself the personal value of existence.

We are fortunately able to include in this issue a statement regarding a corporation school in Passaic, whose activities are directed towards training successful workers in the rubber industry. We have included the entire curriculum because it will prove suggestive to the managers of corporations engaged in other industries.

THE first Forest Products Exposition will open in Chicago on the 30th of April. It will remain open until May 9th, when the entire exposition will be moved to New York and open in the Grand Central Palace on May 21st and remain open until May 30th.

The scope of this exposition is such that lumbering in all its processes, the transformation of lumber into finished forms, the machinery used in wood working, the treatment and the uses of wood, forestry as a practical national safeguard, welfare work as affecting lumber camps, the science of wood utilization and architectural uses will all be pictured by the displays.

Underlying the exposition is also the idea of speaking the best word for wood that it is possible to speak, by means of such technical treatment. The manufacturers of lumber realize that in a perfectly proper substitution of other materials for wood in architecture, etc., an impression has gone forth that products of wood carry with them a hazard and a brevity of life which is unwarranted.

From the viewpoint of a display, and also from the viewpoint of a purpose, the Forest Products Exposition will have great educational value. Well-organized efforts are being made to bring the exposition under the notice of architects, contractors, builders, and all lumber consumers. During the period of the exposition a number of annual conventions of associations dealing with lumber questions will be held both in Chicago and in New York.

FURTHER reference to the Trade Directory for South America, mentioned in the last issue of *THE NATION'S BUSINESS* is altogether appropriate. This volume, if secured by manufacturers interested in export trade, will prove invaluable. Nothing so complete or helpful has yet appeared relative to the acceleration of trade relations with South America. The different lines of business activity are classified under

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(Signature of editor, publisher, business manager, or owner)  
*Assistant Secretary,*

CHAMBER OF COMMERCE  
OF THE UNITED STATES OF AMERICA,

Sworn to and subscribed before me this *First day of April, 1914.*

*Katherine V. Boswell,*  
Notary Public.

(My commission expires Jan. 3, 1918.)

# Referendum on an Interstate Trade Commission

A Referendum relative to the proposed Interstate Trade Commission whose powers are defined in the bill (H. R. 14631) recently reported into the House of Representatives by the Committee on Interstate and Foreign Commerce, was mailed on April 14 by the Chamber of Commerce of the United States to the 546 commercial organizations in 47 states, constituent members of the National Chamber, and the votes of these organizations when recorded will be made public and will represent the view of the National Chamber with reference to the proposed commission. In accordance with the rules governing a Referendum by the Chamber of Commerce of the United States, constituent organizations have 45 days from April 14, within which to record their votes. In view of the great public interest in the subject of the present Referendum, promptness in voting is desirable.

**T**HE Referendum now being taken among the members is based on the report of a Special Committee, appointed in response to a resolution passed by the recent Annual Meeting of the Chamber in this city. The Committee is composed of two business men: Guy E. Tripp, Chairman of the Board of Directors of the Westinghouse Electric and Manufacturing Company, of New York, and Wm. L. Saunders, President of the Ingersoll-Rand Company of New York City; two economists: President Charles R. Van Hise of the University of Wisconsin and Professor Henry R. Seager of Columbia University and former President of the American Association for Labor Legislation; two lawyers: Charles F. Mathewson of the firm of Krauthoff, Harmon and Mathewson of New York City, and George Rublee of Washington, former member of the law firm of Spooner and Cotton of New York City. Louis D. Brandeis of Boston was appointed a member but was unable to give time to sit with the Committee and Mr. Rublee was appointed in his place. R. G. Rhett, President of The People's Bank of Charleston, S. C., and a member of the Board of Directors of the National Chamber, acted as Chairman of the Committee. The Committee has held frequent sessions since late in February and presents its recommendations in such form that the membership of each organization is enabled to express its opinions by voting for or against the various proposals.

The report is confined to a discussion of the Interstate Trade Commission, no opinion being expressed concerning the other proposals for anti-trust legislation contained in the tentative bills which have been put forward, but on which no measures have yet been formally introduced into Congress. Regarding this matter the Committee says: "When it becomes more evident what proposals further than a trade commission bill will actually go before Congress for consideration, the Committee will hold further meetings and make a separate report with a purpose of affording members of the Chamber timely opportunity to express their opinions."

The Committee approves of the plan to create an Interstate Trade Commission to take the place of the Bureau of Corporations, believing that a commission is far preferable in dealing with the intricate questions involved in interstate commerce, to a single official of the Department of Commerce as is at present the case. It expresses the opinion that a commission in which business experience can be represented can be of substantial constructive value from the standpoint of commerce. It points out that practically all the powers of inquiry it is proposed to give to the Commission have been vested in the Commissioner of Corporations since the creation of the Bureau and little change is made in this respect. The Committee believes that as a commission of this sort gains experience it may be very useful to the business of the country.

The opinion is expressed that there should be no discrimination as to the corporations to be considered as coming under the jurisdiction of the Commission, excepting banks and railroads. The report deals at length with the question of publicity and emphatically expresses the view that in any reports required of corporations private information such as trade processes, profits on particular articles, and like information, the disclosure of which might seriously injure an industry in competition with others, should not be made public. The need of protection to legitimate enterprise in this respect is set forth strongly.

In view of the fact that the conditions surrounding the promotion of foreign trade are entirely different from those which obtain with reference to domestic trade, the Committee recommends that the commission should investigate and report as soon as possible upon the advisability of permitting industries engaged in foreign trade to co-operate to a larger degree if they so desire.

The seven definite recommendations to be supported or rejected by the membership of the Chamber of Commerce of the United States are as follows:

## The Seven Recommendations

1. THAT THERE BE CREATED AN INTERSTATE TRADE COMMISSION OF AT LEAST FIVE MEMBERS APPOINTED BY THE PRESIDENT AND CONFIRMED BY THE SENATE, NOT MORE THAN A MERE MAJORITY OF WHOM SHALL BE OF THE SAME POLITICAL PARTY.

In suggesting that the membership of the Commission should be composed of five members rather than three as proposed in the present House bill, the Committee argues that since a large proportion of interstate business of importance is now transacted by corporations, the duties of the commission will be so important that so small a membership as three is inadequate, and that "Experience has shown that in a commission of three, one member is usually dominant and that a commission of five is more representative." The Committee also concluded that a commission may earn a greater degree of popular confidence for non-partisanship and impartiality than a departmental official can hope to obtain. The Committee is also convinced that the larger commission would provide for different points of view and opportunity for the inclusion of men of business experience.

2. THAT JURISDICTION OF THE COMMISSION IN CONDUCTING INVESTIGATION EXTEND TO ALL CORPORATIONS ENGAGED IN INTERSTATE OR FOREIGN COMMERCE, EXCEPT SUCH AS ARE AMENABLE TO THE INTERSTATE COMMERCE COMMISSION. (IT HAS NOT BEEN JUDICIALLY DETERMINED WHETHER OR NOT BANKS ARE ENGAGED IN INTERSTATE COMMERCE, BUT IT IS NOT UNDERSTOOD TO BE THE PURPOSE OF THE BILL CREATING AN INTERSTATE TRADE COMMISSION TO INCLUDE BANKS AMONG THE CORPORATIONS PLACED WITHIN THE JURISDICTION OF THE COMMISSION.)

With reference to the question of the jurisdiction of the commission, the Committee believes that there should be no discrimination as to the kinds of corporations with which the commission deals, since such a limitation might develop a suspicion of favoritism. It says: "Neither size nor any other arbitrary standard of classification is a sure criterion of lawfulness or unlawfulness under the Anti-trust Acts or under any other laws." The Committee is convinced that the general jurisdiction of the commission should not extend to persons and partnerships, giving the following reason: "As a matter of business judgment, individuals and partnerships as such will not engage in interstate or foreign trade on a scale sufficiently large as to have the potentiality of effecting a restraint of trade or creating a monopoly. Before their business assumes a character or a volume that creates possibilities of illegality under the anti-trust acts they are under a practical necessity of adopting the corporate form with its limited liability and other advantages."

3. THAT THE COMMISSION SHOULD NOT NOW BE GIVEN AUTHORITY TO ADVISE APPLICANTS CONCERNING THE LEGALITY OF PROPOSED CONTRACTS, COMBINATIONS, ETC., UNDER THE SHERMAN ACT.

On the proposal that the commission should be given the authority to advise corporations as to what they may or may not do within the scope of the Sherman Act, the Committee is divided, the majority believing, however, that this power should not be entrusted to such a commission at the outset. On this point both sides of the question are presented for the vote of the organizations.

The majority of the Committee in stating its opposition to the proposal that the commission be given powers to advise concerning the legality of trusts, contracts, combinations, etc., goes into this subject at length and discusses the legal as well as the practical phases of it. It sets forth the view that at the outset it would be a physical impossibility for the commission to pass upon the multitudinous plans which corporations have in regard to commerce that is interstate or foreign in character. It says: "Every unfavorable decision would lead to a new presentation of the same plan with the least number of changes the applicants estimated the commission would accept. The decision in no case, whether favorable or unfavorable could be used as a precedent in other cases for each case would contain not only questions of law, but also questions of fact and in no two cases would the facts be the same." The argument in support of the contention that the commission should be given this power is also presented in detail and contends that there would be great advantage if business men could know in advance, on the authority of the commission, what latitude was permitted them before engaging in important undertakings.

4. THAT THE ANNUAL REPORTS OF

CORPORATIONS, IF REQUIRED, SHOULD AT THE OUTSET BE CONFINED TO THOSE OF THE LARGER CORPORATIONS (SAY, TO THOSE HAVING CAPITAL RESOURCES OF \$5,000,000 OR MORE; OR TO THOSE HAVING AN ANNUAL INCOME OF \$2,500,000), AND TO SUCH OTHER CLASSES OF CORPORATIONS AS THE COMMISSION MAY OFFICIALLY DETERMINE.

In relation to the fourth recommendation, the Committee believes that at the total number of corporations is upward of 300,000 the great number of reports which would result would defy any useful compilation or analysis. The limitation of the requirement of reports to corporations capitalized at not less than \$5,000,000 would reduce the number of corporations affected to approximately 1500. In discussing this feature of the bill, the Committee points out that one Commissioner of Corporations after another has recommended that the Bureau have at its disposal something in the nature of annual reports on the operations of the more important corporations engaged in interstate commerce. It is agreed that the fact that corporations would have to make reports would serve as a valuable deterrent to careless disregard of the law.

5. THAT IN THE ANNUAL REPORTS MADE TO THE COMMISSION, CORPORATIONS OUGHT NOT TO BE REQUIRED TO DISCLOSE TRADE-PROCESSES, SHOP-COSTS, CLASSIFICATION OF SALES AND PROFITS AMONG PARTICULAR ARTICLES, NAMES OF CUSTOMERS, OR OTHER LIKE PRIVATE INFORMATION.

As to the kind of information to be required in annual reports, a difference of opinion is expressed by the committee. The majority of the Committee contends that there should be a reasonable limitation as to the kind of information asked for and declares: "If a corporation were compelled to place or file with the commission data of the sort indicated it would in many cases be placing beyond its control facts which lie at the foundation of its existence as a competitive business, which it has always guarded with the utmost jealousy because their disclosure to a competitor would seriously affect its own ability to compete, and for which it felt any penalties provided by law for persons who disclosed information in the possession of the commission would offer insecure and inadequate protection." The dissenting opinion is "that it is obviously the intention of the bill that the commission is to acquire complete understanding of the business of the country and its needs. The facts of business are so inter-related that if access to part of the facts is barred the commission will not be able to interpret properly other facts and conditions."

6. THAT THE PUBLICATION OF FACTS OBTAINED BY THE COMMISSION BE CONFINED TO SUCH AS ARE TO THE PUBLIC INTEREST.

The sixth recommendation of the Committee deals with the question of publicity and takes the position that information in the possession of the commission should under no circumstances be made public except upon

its authority and that any person utilizing such information, in the files of the commission, without authority should be subject to punishment. The House bill already provides that any person making public information in possession of the commission without its authority, approval and consent shall be subject to fine or imprisonment. The suggestion has been made however, that this portion of the bill should be amended to apply only to officials and employees of the commission. This idea is opposed by the Committee on the ground that "Amendment of the law in the way indicated would leave no penalty upon a person who, knowing material had been surreptitiously obtained from the files of the commission proceeded to publish it."

**7. THAT CONGRESS SHOULD DIRECT THE COMMISSION TO INVESTIGATE AND REPORT TO CONGRESS AT THE EARLIEST PRACTICABLE DATE ON THE ADVISABILITY OF AMENDING THE SHERMAN ACT TO ALLOW A GREATER DEGREE OF CO-OPERATION IN THE CONDUCT, AND FOR THE PROTECTION OF THE FOREIGN TRADE.**

The recommendation with reference to a possible amendment of the Sherman Act permitting greater co-operation by American manufacturers in developing trade abroad makes clear the fact that home industries are at present under a severe handicap in foreign markets as against competitors in other countries, and expresses the belief that this condition should be considered by the commission as early as possible and that legislation on the subject be proposed.

Each organization will receive in the Referendum pamphlet a ballot in which blank spaces are provided for voting either for or against each of the seven recommendations.

#### Harter Act Amendments

The Harter Act, relating to "navigation of vessels, bills of lading and certain obligations, duties and rights in connection with the carriage of property" on ocean-going vessels, has been on the Statute Books of the United States since February 13, 1893. This Act has limited the liability of ship owners, etc., where injury came through negligence of officers at sea or from latent defects, etc. From the time of its enactment to the present, there has been a desire on the part of shippers to seek an amendment of the Act.

In the Sixty-Second Congress, Senator Nelson introduced a bill with this intent, S. 7208, which was referred in that Congress to the Senate Committee on Commerce. It was not reported out. Hearings were held in the Committee on Commerce of the Senate on January 23, 24, and 25 of last year. The arguments for and against the Nelson bill will be found in Parts 1, 2, and 3 of the Hearings before the Committee on Commerce, Third Session, Sixty-Second Congress.

In the present Congress, Senator Nelson has reintroduced his bill. In the House, it was introduced by Representative McKellar of Tennessee. Mr. McKellar's bill is before the House Committee on Merchant Marine and Fisheries.

Ship owners and shippers have both shown interest in this legislation. Organizations in coast cities have in some cases passed resolutions opposing the legislation. Organizations of shippers and manufacturers in the middle west have favored its adoption. Any changes in the status of this measure will be noted in the Legislative Bulletin of this Chamber distributed to members.

## Solving Three Problems at Once

### Manufacturing, Storing, Shipping

Every city whose location foretells great growth will face, sooner or later, the problems of traffic congestion. A suggestion relative to supplanting disordered development by one that is planned for the present and the future is here set forth.

**I**N every business and manufacturing center, today, the handling of freight is a pressing problem. Manufacturers and distributors are ever seeking improved facilities in shipping, in order to lessen congestion and quicken dispatch in general freight movements. This is true of every growing town and city of the United States.

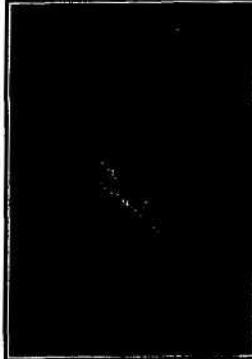
Consequently, a method that has been evolved in Greater New York to obviate the traffic congestion which has been constantly increasing on Manhattan Island, will prove suggestive to those cities already confronted by over-taxing of freight transit facilities and also to those cities that through their commercial organizations are endeavoring to forestall difficulties in the future.

It is true that New York faces a problem different from many other cities because not only is its traffic congestion influenced by the growth of the city and its increasing manufacturing development, but it is also subject to the strain involved in caring for the exports and imports of the growing cities that use New York as their seaport.

trial buildings, suitable alike for ware-rooms or for manufacturing purposes, entirely of steel reinforced concrete and, consequently, incapable of burning. These are 75 feet wide, 750 feet in length and from 6 to 8 stories high. They have windows on all sides, which supply an abundance of light and air; are equipped with a million-dollar sprinkler apparatus, and with 80 large freight elevators, each capable of sustaining a weight of 6,000 pounds. They are positively vibrationless under the stress of the heaviest machinery, and are all efficiently manned and policed. The floors admit of divisions as small as 5,000 square feet. The buildings are detached, and paralleling each are railroad tracks, on one side, for freight received or to be shipped by rail; and, on the other side, an

making up and despatching "through" trains to some of our important cities daily. In outgoing shipments, the process is reversed. The tenant places his consignment on the elevator, makes out his own bill-of-lading, which the Bush Terminal Company stamps officially and then assumes full charge of the shipment. The tenant transfers responsibility to the company, which promptly starts the freight, by locomotive and float, to the designated railroad terminal. Here, the railroad is brought to the factory; and it is no exaggeration to say that a Bush tenant is *on the siding of every railroad* in or near New York City.

Every facility necessary for the successful conduct of his business, the elimination of waste, and the reduction of overhead expenses is here as-



IRVING T. BUSH.

The solution of New York's trouble has been indicated by the establishment of the Bush Terminal Company in Brooklyn. The method of the solution can be followed in other parts of Greater New York and can be adapted to any city in the country, whether or not it has a water front. The concrete example worked out for the enlightenment and guidance of all cities confronted with or considering this problem is on the water-front of New York Harbor, on the Brooklyn side. It is a factory, warehouse and freight terminal plant gathered into one and under one management. By carrying out the ideas developed by Mr. Irving T. Bush, founder and President of the Bush Terminal Company, it has been possible to lift the freight and shipping burdens of the manufacturer, wholesaler, importer and distributor.

Within a compass of 250 acres it shelters a great number of varied and stable industries. Here, upward of 12,000 employ labor, and together with their families make up a contingent population of fully 50,000 people. The plant comprises 10 large indus-



VIEW OF DOCKS AND WAREHOUSES, BUSH TERMINAL

open street for orderly trucking. In addition, there are 130 warehouses; 25 miles of railroad, with electric locomotives and accommodation for 2,000 freight cars; 7 covered docks, each 1,400 feet in length, leased to steamship lines operating between New York and every known quarter of the globe; and a flotilla of barges, car-floats, lighters, tugboats, and the like auxiliaries for the movement of freight in heavy volume.

The efficiency of the Bush Terminal Company is seen at its best in freight handling. This company is the accredited agent of every railroad entering New York City and vicinity. Herein, it points to a solution of the problem of freight congestion and insufficient or inadequate shipping facilities for Manhattan and other cities. Outgoing or incoming shipments for its tenants are freighted by water. The company receives on its carfloats from the several railroads entering New York and vicinity, as their agent, their freight cars containing shipments for a Bush Terminal tenant. These are then floated to the Brooklyn plant, coupled to a locomotive and taken to the siding next the tenant's building. The cars are unloaded at once and the consignment is forthwith delivered to the tenant at the door of his loft. He has no delay, no harassment due to street or other congestion, no portage or cartage expenses, in brief, no concern whatever over the shipment. The Bush Terminal Company renders these services to its tenants under its rental contract; and it delivers or ships freight in carload or less than carload lots thereunder.

Assembled for the manufacturer or distributor desirous of entering New York's rich market, to get a share of the business developed there. Whether he maintains a branch factory or a wareroom, he is equally well suited. Several European and almost half a hundred manufacturers and distributors throughout the country are Bush tenants; and among the total of the 200, are some of the most prominent commercial firms in this country.

Live steam, electric current, gas and water are supplied by meter, when and as wanted, at prices barely above production cost. Additional space can always be obtained, and 130 warehouses provide storage. Not only are the Bush Terminal Company's facilities numerous; they are correctly assembled and with elasticity. Among the many economies possible for tenants, mention may not be omitted of the great saving through very low insurance rates, owing to the fireproof character of the buildings and neighborhood, the sprinkler equipment aforementioned, and a well-drilled fire brigade.

Delegations from many municipalities have already visited the plant. To permit thorough understanding of the facilities involved, the Bush Company furnishes to visitors through a competent speaker, a complete idea of all that has been done and the adaptability of the arrangements made. This speaker shows stereopticon views, and a series of motion pictures is now being prepared. The Bush Terminal Company will send circular matter on application from commercial organizations.

## Recent Referendum Aids Department of Commerce

Every organization whose votes were included in the total of 624, relative to broadening the scope of the Bureau of Foreign and Domestic Commerce in the Department of Commerce, will be gratified at the expected results which the following statement sets forth. The inevitable conclusion is that the counsel and co-operation of the business men of the United States is desired by the Government and that Congress is anxious to discover national opinion, which in this and similar instances can be secured only by a federation of the commercial bodies of the Nation such as is the Chamber of Commerce of the United States.

**T**HE Directors during the April meeting reviewed all the activities of the National Chamber and the progress that has been made in expressing influential national opinion. A request was made by the Directors that the constituent organizations be acquainted in full with the results that have come from Referendum Number 5, concluded December 23, 1913, which related to suggested means of increasing the scope of the Bureau of Foreign and Domestic Commerce in the Department of Commerce. To do the subject justice requires a review of the steps leading up to the Referendum.

The Chamber of Commerce of the United States of America came into being as the result of a commercial conference called by President Taft in response to recommendations from Secretary Nagel, then head of the Department of Commerce and Labor. Very early in the history of the National Chamber as an organization, questions were uppermost in the minds of the officials as to the best means of aiding the Department of Commerce itself, for it was realized that compared with the similar departments in other countries, our Department of Commerce had only just begun its work. Where we were spending thousands relative to commercial promotion, other nations were spending tens of thousands.

A Special Committee on the Department of Commerce was therefore appointed, the membership of which was as follows:

CHAIRMAN JOHN H. FAHEY, Publisher, Boston, Mass.

PHIL B. FOURE, President; Fusten Brothers & Co., St. Louis, Mo.

C. HERBERT DEFOSE, Financier, Worcester, Mass.

E. OLIVER FOWLES, President, The D. R. Dunlap Mercantile Co., Mobile, Ala.

A. H. MULLIKEN, President, Pettibone, Mulliken Co., Chicago, Ill.

CALVIN M. SMYTH, President, Young, Smyth, Field Co., Philadelphia, Pa.

CHARLES A. MCCORMICK, of Johnson & Johnson, New Brunswick, N. J.

IRA E. BENNETT, Editor Washington Post, representing San Francisco Chamber.

WALTER H. COTTINGHAM, President, The Sherwin-Williams Co., Cleveland, Ohio.

CHARLES C. JENKS, President, Jenks & Muir Manufacturing Co., Detroit, Mich.

LEWIS W. PARKER, Cotton Manufacturer, Greenville, S. C.

This Committee after carefully canvassing all questions involved in the history of the Department of Commerce and its promotion efforts through the Bureau of Foreign and Domestic Commerce, had two meetings with Secretary Redfield, one in June, 1913, and another in September. The meetings with Secretary Redfield were of a most satisfactory character. The Secretary was pleased to receive aid in devising a means for broadening the scope of his Department, and the Committee was taken fully into confidence relative to matters that he had in mind. At the time of the Second Annual Banquet in February of this year, Secretary Redfield said:

"The Department of Commerce is obligated to the Chamber of Commerce of the United States. The first obligation was caused when your Committee on the Department of Commerce co-operated so ably and so fully with me in the reorganization of the great Bureau of Foreign and Domestic Commerce for our Department. I have not forgotten the unselfishness with which gentlemen from distant cities journeyed more than once to Washington for the purpose of co-operating and advising. I acknowledge thankfully that the measures which are now pending before Congress for the enlargement of the work of this great Bureau are in no small degree due to the wisdom and counsel of your Committee."

Based upon the conferences with Secretary Redfield, but independent in a measure of his recommendations relative to the reorganization of the Bureau of Foreign and Domestic Commerce, the Committee prepared its special report.

### COMMERCIAL ATTACHES

The first and most important new movement recommended was that relative to the appointment of commercial attachés. "The commercial attaché is intended, in the field of commerce, to be alert in foreign countries relative to matters of interest to the home government, just as is now true with the naval and military attachés of our legations. Unlike the consul who is tied down by many exacting duties in one locality, and unlike the commercial agent who may be set a task of investigating one subject without relation to locality, the commercial attaché would be, as it were, the commercial eyes and ears of the nation in countries of important commercial standing, observing the trend of things, considering in a broad way the opportunities for promoting commerce and thus vastly enlarging the useful scope of the Bureau of Foreign and Domestic Commerce by reports, the sole aim of which would be to increase commercial relationship between the region to which he was assigned and the United States. This is an entirely new step in the history of the development of the Department of Commerce. It is not new for other countries. For instance, in Washington, there are a number of commercial attachés associated with the various foreign legations, who make a point of keeping in touch with commercial conventions and matters of prime importance to their home governments. The plan for commercial attachés contemplates a permanent and not a temporary force. In relation to Central America and the West Indies it was realized that a difficulty would exist in assigning an attaché to any one legation, and it was therefore recommended by the Committee in that instance that a commercial agent be regularly assigned to Central America and the West Indies.

### COMMERCIAL AGENTS

The second feature of the report of the Special Committee was relative to a large increase in the number of Commercial Agents and particularly with a view to securing through their efforts a more adequate understanding of South America and the markets in

South America for products and manufactures of the United States. The committee expressed the opinion that the appropriations so far made relative to commercial agents were inadequate and that there should be a material increase in force as well as a larger appropriation for this purpose. The idea of the commercial agent is not a new one, but the Committee felt that the results secured by commercial agents had been so satisfactory within the limits of the appropriations so far made, as to justify the nation in a very much larger expenditure.

The Committee heartily endorsed the idea that there should be a clearing committee between the Department of State and the Department of Commerce relative to business features in correspondence received from consuls, so that the valuable information contained in communications should be transmitted to the business interests of the United States through the Department of Commerce with the least possible delay.

The fourth recommendation of the Committee pertained to commercial information which should reach this country by cable instead of by letter, or which might involve the purchase of plans, specifications and descriptive contracts, or that might call for the translation of documents in foreign languages for immediate utilization by the American exporter. Therefore, the Committee recommended adequate appropriations for this purpose.

### CONSULAR AND TRADE REPORTS

The fifth recommendation of the Committee is one to which attention was drawn in the last issue of *THE NATION'S BUSINESS*—that pertaining to the distribution of publications. The existing appropriation by Congress permits of the distribution of 20,000 copies annually of the Daily Consular and Trade Reports. The request to increase this to 30,000 had not been approved by Congress at the time of the report, nor has it been approved since. The Committee felt that under the present plan of free distribution the demand would practically at all times exceed the supply. Furthermore many business men who wanted it could not get it; while many having special use for it were on the list. It therefore recommended that the Daily Consular and Trade Reports be furnished free of charge to public officials, libraries and commercial organizations and at practically cost hereafter to all others who apply for them. This recommendation was also made to extend to miscellaneous reports, Commercial Agents series and Tariff series, put forth by the Bureau of Foreign and Domestic Commerce.

### The Results

The foregoing leads up to the time of the casting of the Referendum vote. The organizations of the nation cast 624 votes in favor and 3 against the recommendations of the Special Committee. The first opportunity to observe the effect of this vote is furnished in the present appropriation bill now before Congress, providing funds for the legislative, executive and judicial branches of the Federal Government. That portion of the bill

which refers to the Department of Commerce shows the close relation between the various sections in the Referendum and the favorable features in the bill as reported to the House.

In Section A of the Referendum, organizations favored the appointment of commercial attachés "to be officers of the Department of Commerce and accredited to American legations." In the bill as reported to the House, \$100,000 for commercial attachés is recommended. This feature was eliminated by Committee of the Whole on April 14, on a point of order. It may be restored in the Senate, or come up in the form of entirely new legislation.

In Sections C, D, and E, commercial organizations voted for "a commercial agent regularly assigned to Central America and the West Indies," and that the force of commercial agents be materially increased, and that a number of commercial agents bring up to date such information as the Department already has concerning the Southern continent. The bill as reported out, recommends an appropriation of \$50,000 for promoting commerce in South and Central America, including the employment of experts and special agents. The appropriation for commercial agents is raised from \$60,000 to \$75,000 included in which amount is \$3,000 to be made available for the purchase of documents, manuscripts, etc. (The point favorably covered by vote in Referendum Number 5, under Section G.)

In Section H, organizations voted for an appropriation to enable the Department of Commerce to employ an adequate corps of translators, so that documents may be placed before American exporters in intelligible form. The new bill provides for additions to the translating force.

In Section I, organizations voted to distribute Daily Consular and Trade Reports "free of charge only to public officials, libraries and commercial organizations, and to all other applicants they should be sold practically at cost." As set forth in the last issue of *THE NATION'S BUSINESS*, the Secretary of Commerce has recommended to Congress just such limitations as the Referendum endorsed.

Everything relative to the Department of Commerce alone and voted for by the constituent organizations through Referendum Number 5, has so far received favorable attention in Committee, except Section B, which read: "Commercial attachés should be appointed and promoted under Civil Service law."

The bill is of course subject to further amendment in the House and will again be subject to amendment in the Senate.

### NATIONAL SIGNIFICANCE

While it has been gratifying to the Directors to draw the attention of constituent organizations to some prompt results from a well-thought-out Referendum and thus to find confirmation of the value of the research and efforts of the Chamber of Commerce of the United States, it is still more gratifying to realize the national significance of such results. It indicates constructive assistance from business men.

# Collective Bargaining in Industrial Relations

Questions of collective bargaining, arbitration, and conciliation have been taken up in three days' hearings before the United States Commission on Industrial Relations. A general impression of the testimony is given

**B**ETWEEN April 6 and April 9 public hearings were held in Washington by the United States Commission on Industrial Relations relative to collective bargaining, conciliation and arbitration. A carefully detailed description of the duties that rest upon the United States Commission on Industrial Relations will be found in *The Nation's Business* of September, 1913, on Page 5. The members of the Commission are: Frank P. Walsh, Chairman; Prof. John R. Commons, Mrs. J. Borden Harriman, Frederic A. Delano, Harris Weinstock, S. Thurston Ballard, John B. Lennon, James O'Connell, Austin B. Garretson. W. O. Thompson acted as the counsel of the Commission.

The scope of the hearings included coal mining, molders' trade, clothing industry, printing trades, building trades; in addition there was some testimony of a general character.

In view of the widespread interest of employers in the subjects that were taken up in these hearings a general impression of the hearings has been prepared in the following pages, condensed out of about 1500 pages of testimony. The volume of testimony and the minute detail with which much of it is taken up will stand in the way of general perusal of the hearings. Consequently the condensation deals with the approval or disapproval of collective bargaining, conciliation and arbitration. A large portion of the testimony appears in the form of colloquies in relation to minute details.

In view of the extent to which coal mining has become organized and collective bargaining come into force, fullest attention is given to that feature. The hearings in relation to the molders' trade dealt largely with the history of unsatisfactory struggles. The hearings in connection with the clothing industry brought out a very clear-cut form of conciliation and arbitration. In the printing trades hearing some valuable points were brought out: the testimony, however, is rather in the direction of detailed struggles. The testimony in the building trades hearing showed what great progress had been made in collective bargaining, and the conditions under which employers and employees were gradually reducing strikes and disputes of all kinds.

## Coal Mining

**T**HE hearings relative to coal mining brought testimony from Francis S. Peabody, a coal operator of Hinsdale, Illinois, who spoke for the employers. The employees were represented by Mr. John Mitchell, just made a member of the State Workmen's Compensation Commission of New York, who from 1898 until 1908 was President of the United Mine Workers of America, and until January 1st for fifteen years Second Vice-President of the American Federation of Labor; and Mr. Francis J. Hayes, International Vice-President of the United Mine Workers of America.

Mr. Mitchell was the first to testify. One very broad statement was made by him relative to the great advantage of collective bargaining. He said: "In my judgment there can be no permanent prosperity to the working men, there can be no permanent industrial peace until the principle is the cause of the basis on which the trade

freely and fully established that in industrial life the agreements of wages, hours of labor and all the important conditions of work are made by the employers and the workingmen collectively and not between employers and workingmen individually."

The statements of Mr. Peabody were also in favor of collective bargaining. He brought to light the artificial condition of mining that has arisen under the influence of an endeavor to make an agreement fit all conditions. We quote direct: "In my opinion trade agreements are wise; I think that the method of arriving at them is as satisfactory a method as can be arrived at. However, I think that the present trade agreement, or the basis of the present trade agreement, is a false one (referring to agreement in coal operations). The present trade agreement is based upon an artificial condition, not upon natural conditions. In the endeavor to arrive at a peaceful and harmonious settlement of the differences between the miners and the operators, it was determined to take into consideration not only the physical conditions of the mines that were being operated, but their geographical location, their freight rates, and the markets to which they were tributary. The question of the earning power of man was not taken into consideration, except that in the finished veins of coal the effort was made to have the earning powers of a man sufficient to get a living wage."

Collective bargaining of course, means that there shall be a uniform and minimum standard of wages and that there shall be uniform hours of labor. It seems to me that the effect of collective bargaining in the United States has made for righteous industrial peace.

This testimony led Mr. Peabody to assert that the wage agreements affecting mines, without regard to whether they were favorably or unfavorably placed, kept more mines open than there was any need for and resulted in very heavy waste of much coal in every mine affected. In response to a question from Commissioner Delano, Mr. Peabody agreed that the public should for the purpose of finding industrial peace contemplate the organization of employers with quite as much equanimity as an organization of labor. Furthermore, that lack of uniformity in laws of neighboring states affecting coal mining, made it difficult for a producer in Illinois to produce coal as cheaply as it was produced in Ohio and Indiana, for the reason that the two last mentioned states had not adopted laws relative to fire appliances, fire construction, etc., which are now strictly enforced in the State of Illinois. Relative to the general condition of the bituminous coal industry, Mr. Peabody said: "I think our present trade agreement as existing in Illinois is—I know it is—a bad thing financially and I think members of your Commission who are almost as familiar with the situation as I am would verify the statement that seventy-five per cent—and that seems a tremendous per cent—of the coal operators in Illinois are insolvent." To the question, "Is this condition of insolvency a result of the trade agreements of the Union?" Mr. Peabody replied: "No, not primarily of the trade agreements, but I think it is because of the basis on which the trade

agreements were originally made." To the next question: "If there were no union, and if there was no trade agreement, would that affect the solvency or the insolvency of the operators in Illinois?" Mr. Peabody replied "Why yes, if there had been no trade agreements, the mine that was able to produce the cheapest coal and the best quality of coal and reach the market most economically would first be filled up with business, then the next mine with the less favorable conditions and then the next mine, and then the next; instead of trying to support 380 to 400 different mines all about and trying to adjust all their prices, their freight rates, and labor rates, and quality of coal and putting their products all into one general market at the same time. It is an utterly artificial condition. It does not exist in any other trade that I know of."

The testimony of Mr. Mitchell as a whole was against the use of an umpire or referee either chosen by the parties in dispute or acting for the state or the Federal Government.

After referring at some length to the dispute which constantly arose notwithstanding contractual agreements. Mr. Mitchell said: "I have always believed that what was needed more than anything else was education; that the mine owners and mine workers equally require education as to the importance of keeping inviolate these agreements that they enter into and I think that the mine workers are coming more and more to understand and I think the mine owners are coming more and more to understand that these agreements which are based purely upon the good faith of the parties must be kept just as inviolate as that one man should keep his word when he gives it to another; for after all, my own interpretation of the contract is that it is merely the promise of one man to another 'we are going to work under these conditions for a given period.' Of course, there is no recourse in the courts about it; it is purely an agreement of honor. But I think as time goes by the workingmen and employers more and more will come to understand that their own interests as well as the interests of society demand first that the agreement shall be made and second that it shall be kept. Then we will have a less number of local strikes."

Relative to the conditions of labor in organized and unorganized territory, Mr. Hayes stated that the hours of labor are from one to two hours longer in unorganized territory. Mr. Hayes expressed himself as in favor of the principle of arbitration.

During this testimony Mr. Mitchell stated that there are approximately 750,000 coal miners in the United States. He then went on to state that the approximate number of mine workers whose wages are now determined by collective bargaining are 523,500 distributed as follows: Arkansas 4,000; Illinois 80,000; Indiana 20,000; Iowa 16,000; Kansas 12,000; Kentucky 7,000; Missouri 10,000; Michigan 3,000; Minnesota 3,500; Ohio 45,000; Oklahoma 9,000; Pennsylvania 46 (bituminous) 100,000; Pennsylvania (anthracite) 174,000; Tennessee 3,000; Texas 3,000; Washington 6,000; West Virginia 20,000; Wyoming 8,000. There was some difference between this testimony and that of Mr. Frank J. Hayes, for in his

testimony he estimated the number of unorganized miners at 350,000, locating them in Pennsylvania, Maryland, West Virginia, Virginia, Kentucky, Tennessee, Alabama, Colorado, New Mexico and Utah.

## Clothing Trade

**I**N connection with the subject of collective bargaining as applied to the clothing trade, testimony was given by the following: Joseph Schaffner, Secretary and Treasurer of Hart, Schaffner and Marx of Chicago; Sidney Hillman, Representative of the employees of Hart, Schaffner and Marx; Julius Henry Cohen, lawyer of New York, Counsel for the Cloak, Suit and Skirt Manufacturers' Protective Association and the Dress and Waist Manufacturers' Protective Association; A. Bisno, Chairman of the Educational Committee of the Cloak Makers' Union of New York. The testimony dealt with the Chicago clothing strike of 1911 on one hand and the arrangements which were made relative to an improvement of labor conditions in the clothing trade in New York and Chicago.

Mr. Schaffner's testimony showed that subsequent to the strike, plans for handling labor matters in a manner that would do justice to the 6,000 employees of the firm, were put into execution. Summarized, they were to guarantee to employees a hearing for all grievances; to provide for an outside third man or board of arbitration where agreement could not be reached; to safeguard those who had complaints to make, but feared to make them; and to provide for the satisfactory adjudication for all disputes as they might hereafter arise. Mr. Schaffner testified in relation to the present status that it had produced "industrial peace and good will of the employees \* \* \* a means for the prompt and final settlement of all disputes; a conviction in the minds of the employees that the employer is fair \* \* \* an uncompromising opposition to all attempts to coerce or impose upon the rights of any group."

An arbitration Committee of three was appointed; one was selected by the employees who were not on strike; Hart, Schaffner and Marx selected another and then these two selected a third. In this initial arrangement the organization as such was not recognized. As soon as a method was devised for adjusting grievances there were so many of them brought forward by the employees that it took the entire time of several people to adjust the difficulties. This led, after a year and a half, to the creation of a trade board made up of five men from the employees and five foremen. All matters that the trade board could not adjust went to the arbitration board. As time has elapsed, however, very few questions now reach either the arbitration board or the trade board, since in the 150 or 160 divisions of labor in the factory a method has been worked out for settling questions on the spot by means of deputies and chief deputies; these deputies acting, as it were, for the trade board on both sides; ready with the Chairman of the board

of arbitration to go out and investigate special cases and return decisions.

Earl Dean Howard in his testimony relative to collective bargaining, etc., as it has worked out in the Hart, Schaffner and Marx concern, said "I believe it is the only possible foundation for an experiment such as we have had."

The testimony of Julius Henry Cohen dealt with the New York condition. He stated among other things "Your collective agreement, if it is to be a permanent feature of industry like the constitution of a political form of government, will work or not work according to the people who live under it. The highest kind of collective agreements would be good for nothing in an industry where the employers are either selfish or unscrupulous or where the working people are in their nature anarchistic and lawless."

Mr. Cohen and the following speakers dealt with the protocol or legislative method which has been created in New York for working out in the clothing industry problems involving over 100,000 working people. In the cloak industry and in the dress and waist industry the grievance board is the legislative tribunal. If the board deadlocks the question goes to the Board of Arbitration. Illustrations were given by Mr. Cohen as to the manner in which grievances have been disposed of since March, 1911. He stated that of 7,550 complaints, all except 123 were disposed of by clerks or deputy clerks. Of these 123, all were disposed of by the Board of Grievances except 8 which involved questions of interpretation of the protocol that could only be disposed of by a tribunal having the power of ultimate decision—the board of arbitration. Mr. Cohen stated that the Board of Arbitration is made up of men who are not in the industry, Hamilton Holt, Louis D. Brandeis and Walter Weyl.

### Molders' Trade

O. Briggs of Minneapolis, Joseph T. Valentine of Cincinnati, Thos. J. Hogan and John P. Frey of Cincinnati, gave testimony in relation to collective bargaining in foundries.

Mr. Briggs was for two years Commissioner of the National Founders' Association; one year Vice-President and seven years President. The opening of his testimony was relative to what is called the "New York Agreement" of the National Founders' Association with the Iron Molders Union. The Agreement was the outcome of a year and a half or two years' effort on behalf of the founders in about 500 shops to purchase molders' labor in a collective capacity. Mr. Briggs said: "I think it was about a year and a half after they had exchanged ideas in regard to this labor problem informally that they received an invitation from the Iron Molders' Union for a joint conference."

The agreement was signed in 1899 and was in force until 1904. Mr. Briggs said: "Instead of it being a means to promote industrial peace, it proved a means of serious conflict. During the period of its existence, I think there were at least calculation 150 shops struck. We would exhaust every means at our command to agree by virtue of this conciliation (the Agreement) and then we would deadlock." \*\*\*In every case without one single exception, the Iron Molders' Union, international or local, refused arbitration, refused to bring in an odd party. \*\*\*This thing ran along until we became so tired of it and it was apparent beyond peradventure that there was nothing to be gained by the

conciliation effort, that in November 1904 we abrogated this Agreement."

In answer to the question as to the main points of difference which developed between the National Foundrymen's Association and the Iron Molders' Union, Mr. Briggs said: "I will endeavor to state those in the language of the President of the Iron Molders' Union himself; the apprentices first. I think it is conceded by members of this Commission here that the difficulty in regard to apprentices outweighs all others put together; then the molding machines—there was opposition to those; the limitation of output; the different wage rates—limitations of output and limitations upon a man's earning capacity, and last but not least, the question of the open shop."

Joseph T. Valentine of Cincinnati, Ohio, President of the International Molders' Union also gave testimony. Mr. Valentine has been President of the Union for about ten years. He was Vice-President from 1890 to 1904. At the outset his testimony dealt very largely with the question of apprentices and the questions leading up to the abrogation of the New York Agreement. Further in the hearing, taking up the points which had been raised by Mr. Briggs, Commissioner Weinstein asked Mr. Valentine whether he believed that individual bargaining would get for the workers on the average a better wage than collective bargaining. Mr. Valentine replied "I can give you the experience of organized labor in that direction by citing some cases. In Cincinnati, our own home city, our wages used to be \$2.25 a day when we only had seventeen members. We might now have a thousand members and our minimum rate of wages is \$3.50 per day with one hour less per day. We believe we got that through collective bargaining. It might be taken all down the line. We do not believe that an individual can get any advance in wages or better shop conditions from an employer except under certain conditions. There might be two jobs for one man and the employer might want him real bad and he would do a thing temporarily that he would not do otherwise. That is our experience in the labor movement."

Thomas J. Hogan of Chicago, Secretary of the Stove Founders' National Defense Association also testified. In his testimony, Mr. Hogan made the point that the stove manufacturers through their organization were about the first to treat with organized labor; that they started in 1886 and as early as 1891 got together on conference agreements. The testimony of Mr. Hogan was largely in the form of brief answers to many questions from the Commissioners, dealing with the long sustained struggle with the Iron Molders' Union.

Mr. Hogan was followed by John P. Frey of Cincinnati, one of the executive officers of the International Molders' Union. A considerable portion of Mr. Frey's testimony was accompanied by exhibits of documents that have been used in agreements, documents that have led to disputes.

### Building Trades

THE hearings in the building trades included testimony from Otto M. Eiditz of New York City, general contractor; Wm. J. Spencer, Secretary-Treasurer of the Building Trades Department of the American Federation of Labor; Henry Struble, of Chicago, Secretary of the National Cut Stone Contractors' Association; Thomas J. Williams of Washington,

President of the Building Trades Department of the American Federation of Labor.

The testimony of Mr. Eiditz dealt with the New York arbitration plan of which he was the originator. Mr. Eiditz showed that in 1884, was the first collective bargaining in the building industry and that the bricklayers and the mason builders have had their trade arbitration board ever since that time that there have been only two arbitrations outside of the trade board and there have been only three serious differences of opinion. In defining the New York arbitration plan, Mr. Eiditz said: "It provided first of all a wage scale; it provided that the men should not leave the work, or a member of the association, without the question in dispute had been brought before the board first for settlement; and then various other particular conditions of employment which were added to from time to time until the document is in its present shape."

In enlarging upon the fact that only two exterior arbitrations had taken place, Mr. Eiditz said that this was due to mutual fear on the part of those in dispute that an outsider might come in who would be in error in one way or another, though he might have the best intentions in the world. Mr. Eiditz did not favor the preferential shop idea. He favored having both sides thoroughly organized and related to each other by absolute contracts. In further reference to the way the plan had worked out, Mr. Eiditz stated that the acceptance of the plan by both employer and employees in good faith had eliminated ninety per cent of all the points of dispute in the building industry.

### Printing Trades

THE hearings relative to collective bargaining in the printing trade included testimony from James M. Lynch, Commissioner of Labor of the State of New York, for thirteen years President of the International Typographical Union; Albert W. Finley, Chairman of the Executive Committee of the United Typothetae and Franklin Clubs of America; George L. Berry President of the International Printing Pressmen and Assistants' Union; Charles Francis, President of the Printers' League of America.

### General Testimony

GENERAL statements relative to the whole subject of arbitration, collective bargaining and conciliation were made by a number of men. Mr. J. E. Williams of Streator, Illinois, testified as a mediator of labor disputes. In Chicago he is Chairman of a Board of Arbitration in the men's clothing trade, and in New York City he is Chairman of the Committee on Immediate Action in the cloak and suit trades. Testimony was also given by Mr. MacKenzie King, a journalist of Ottawa, Canada. He made clear to the Commission the basis of development and administration of the Canadian Industrial Disputes Act. This Act grew out of experiences in the settlement of industrial disputes. Up to the time of its enactment there was but little power for the government to intervene in industrial disputes. Subsequent to a great strike in 1907 in the western coal mines and the necessity of settling grievances whose settlement involved the comfort of the dwellers on the western prairies through the possible cutting off of their fuel supply, the Industrial Disputes Investigation Act was draft-

ed after a conference with Sir Wilfrid Laurier. The Industrial Disputes Act is not original; it is based on legislation of other countries; some from New Zealand, some from states of the United States. The great point of the Act, however, is that it compels parties to industrial differences to come together and it affords the machinery whereby they can get at the facts when they are seeking to arrive at a settlement. There is nothing compulsory in the Act as to the acceptance of the findings of a board established under its provisions. Nevertheless, announcements made under the Act have served important purposes in pacifying conditions. So far the Act has been regarded as extending in scope only to businesses that are of the nature of public utilities. It is a Federal Act applying to the whole of the Dominion of Canada. The reason that it does not include all industries is that being a Federal measure it is difficult to administer over so vast an area. The industries to which it applies are more or less in the nature of industries upon which others are dependent and by which the public is particularly affected. Mr. King then described the machinery of the Act.

Mr. Samuel Gompers, President of the American Federation of Labor, also was included among the general speakers. During his testimony he outlined the change in industrial conditions during the last half-century and pointed out the adjustment of capital and labor that was bound to arise from such rapid development and particularly the specialization and utilization of improved machinery of all kinds. Mr. Gompers made very clear his opposition to compulsory arbitration. In a series of questions and answers, Mr. Gompers stated his opinion with reference to the establishment of a government body which would have the right to "investigate, the power to call for the production of documents, and the swearing of witnesses in order that the truth may be ascertained in a dispute, where there was no suspension of the right to strike or the right to lockout." Part of Mr. Gompers' answer was: "Investigation authorized by the state could establish but very little in so far as relations between employers and employees are concerned. \* \* \* As to the investigation conducted by the state, while we cannot see why there would be any objection where there would be no factors connected with it that would be of a compulsory character, I think my apprehension is this:—that once you place in the hands of the state this one feature, then you have laid the basis for a continual effort which leads to compulsory arbitration. There is a constant effort on the part of so many people—and some are candid enough to admit that there is a constant effort—to tie the working people to their task, to tie them to their labor, to rivet them to their labor, that they can not quit and stop." To the question as to whether his objections would extend also to the establishment of a state body that could be appealed to for the purpose of mediation and conciliation, Mr. Gompers replied "I think not. The chief objection that I may have is apprehension as to the future, not of its immediate effect." Relative to the calling in of an umpire or third party in matters of dispute, Mr. Gompers explained very frankly the difficulty of finding an entirely impartial man. His statement at this point is quoted: "I think that if the workmen and employers, organized and having their agreements, their collective bargain-

ing, knew that upon themselves depended the reaching of an agreement or the breaking of an agreement with all that involved, they might more easily come to an understanding and reach an agreement without the umpire. But inasmuch as they have a resort to the umpire they relieve themselves from the responsibility and place it upon this third or fifth or seventh man." The above statement will be found to coincide with the views of Mr. Mitchell expressed in relation to the settlement of disputes in coal mining.

James A. Emery, Counsel for the National Association of Manufacturers, also gave testimony in explaining the fifth principle adopted by the National Association of Manufacturers at the New Orleans Convention of 1903 which read as follows: "Employers must be free to employ their work people at wages mutually satisfactory without interference or dictation on the part of individuals or organizations not directly parties to such contracts." Mr. Emery said "There is no opposition so far as I know among members of the National Association of Manufacturers to the principle of collective bargaining. There are many members of the Association who deal with their employees collectively and the Association has not at any time interfered with the action of its members in that regard, but it has opposed the making of an exclusive collective bargain which means the establishment of what we term a closed shop."

To the question "Do you believe that an individual can fare as well with reference to his wages, hours of labor, conditions of work, if he deals individually with the employer as he would if he should deal collectively with him?" Mr. Emery answered "It depends entirely upon the size of the employer with whom he deals." Mr. Emery then went on to show that the individual seeking labor from a large employer was at the same disadvantage that a small employer would be in dealing with a large union. Mr. Emery spoke of the strong approval of the ninth finding of the Anthracite Coal Commission of 1902. The finding was in the following words: "It is adjudged and awarded that no person shall be refused employment or in any way discriminated against on account of membership or non-membership in any labor organization; that there shall be no discrimination against or interference with any employee who is not a member of any organization, by members of such organization." He regarded this statement as a fundamentally important principle in the direction of industrial peace.

### The Children's Bureau

The First Annual Report of the Chief of the Children's Bureau of the Department of Labor has just been made public. In its first year, the Bureau undertook an infant mortality investigation in Johnstown, Pa., giving special attention to the mortality of the child under one year.

During the first year also the Bureau began child labor studies. It has made a review of child labor legislation. This review contains a summary of legislation by states, covering such points as: minimum age, hours of labor, night work, and prohibited employment.

The Bureau is also making a study of methods of securing employment certificates on the part of those children who have gone to work before the 16th year. Child labor statistics will also be set forth by the Bureau in a later report.

## Notes of the Directors' Meeting Held in Washington, April 7 and 8, 1914

**T**HE Board of Directors of the United States were in session in Washington, April 7th and 8th. Those present were: President John H. Fahey, Boston; Vice-Presidents A. H. Mulliken, Chicago; and A. B. Farquhar, York, Pa.; James G. Cutler, Rochester, Chairman of the Executive Committee; John Joy Edson, Treasurer. The other Directors present were Thomas Burke, Seattle; Franklin Conklin, Newark, N. J.; Wm. H. Douglas, New York City; Willoughby M. McCormick, Baltimore, Md.; Charles Nagel, St. Louis; John W. Philp, Dallas, Tex.; R. G. Rhett, Charleston, S. C.; Wm. H. Stevenson, Pittsburgh; Ralph Stone, Detroit; John H. Reynolds, Rome, Ga.; T. L. L. Temple, Texarkana, Ark.; and C. E. Yost, Omaha, Nebraska.

Leon C. Simon, former President of the Association of Commerce of New Orleans, Louisiana, was elected a Director in place of John M. Parker of New Orleans.

**L**ength of Session:—The Directors were in session the morning and afternoon of April 7 and the morning, afternoon and evening of April 8. They disposed of twelve main subjects involving ninety-four separate items. The results secured from Referendum Number 5 (The Report of the Special Committee on the Department of Commerce) will be found on page 5.

**M**embers Elected:—The Directors elected 72 individual members, making a total of 1934 individual members. They also elected and confirmed the election by mail of the list of organizations appearing on page 9. The Directors discussed fully the question of apportionment of the five thousand individual members, permitted under Article 12 of the By Laws as amended at the Second Annual Meeting of the Chamber. The first stage of the allotment to the smaller organizations of the Chamber was approved. The question of allotment proved to be very complicated and called for painstaking care. Many considerations were found necessary in making the allotment. For instance, some cities equal in population, are very disproportionate in industrial importance. Some cities comparatively small are overwhelmingly industrial and therefore vitally affected by the work of the National Chamber. In other cases it was found that a trade organization with only small membership might, nevertheless, represent large influence and on the other hand, some organizations with large membership might be in communities where industrial interests are comparatively small. Particularly disproportionate in the matter of numbers and influence were found to be the federations of trade organizations where the organizations were few in number though representing large membership with large interests.

The services rendered by the Chamber to individual members are the same as those rendered to organization members, thus enabling firms and individuals interested in legislative records to keep in touch with conditions in Congress and in Washington through the Legislative Bulletin, the General Bulletin, THE NATION'S BUSINESS, and responses to personal inquiries.

**R**eferendum:—The action of the Board of the Committee on Antitrust Legislation was for an immediate

Referendum. A statement of the main points included in the report are explained elsewhere in this issue. The discussions of the Board relative to the report of the Special Committee on Antitrust Legislation brought out very definitely the convictions of the majority of those present that the processes of business were not subjects for public research and report. The policies of a business fall in a different field and might properly be subject to scrutiny and public supervision for the general protection of the public.

**N**ew Committee:—A Committee on Maintenance of Resale Prices is to be formed in the early future by the President, with a view to having it report its conclusions relative to this complicated subject, in time for use prior to the next regular session of Congress in December.

A Committee of three, the President and two other members of the Board, is to recommend to the next Directors' Meeting, the personnel of a Special Committee to study at length the whole question of government ownership of public utilities.

**S**tatistics and Standards:—The reports of the Committee on Statistics and Standards which have already been made public through bulletins, covering the problem of the food supply, particularly in relation to cereals, and the meat supply of the nation, were presented.

**W**orkmen's Compensation Laws:—The subject of conflicting workmen's compensation laws was brought up by correspondence that will be referred to the Committee on Industrial Workers.

**F**lood Prevention:—In the matter of permanent flood prevention, a resolution was passed by the Board favoring the immediate organization of a Special Committee of five to consider the various projects for flood prevention and report to the Board of Directors its conclusions relative to the approval of any one plan over others. This will be a Special Committee on Reclamation and Preservation of Lands subject to flood.

**B**ills of Lading:—Under the head of Matters Pending from Previous Meetings of the Board, it was decided that the strength of the organization, by reason of its earlier unanimous vote in annual meeting be directed in favor of uniform bills of lading under the general terms of the well known Pomerene bill. A Committee of five is to be provided.

**D**elegates to Paris:—The question of selecting the delegates of the National Chamber to the Sixth International Congress of Chambers of Commerce and Commercial and Industrial Associations which will begin its sessions in Paris June 8th, this year, was left to the President, subsequent to ascertaining the names of those who will go as delegates from the organizations in various localities. The President is to appoint ten delegates.

**S**outhern Meeting:—A trip of two or three weeks duration was to be taken by the Directors this month through the Southern states. A sufficient number were unable to go. It is now definitely decided that one of the fall meetings of the Directors will be held in a southern city, permitting acquaintanceship with the business forces of the Southern states traversed.

**N**ext Meeting:—Before end of May; time and place not decided.

### Baltimore Visited

On the night of April 7th, the Directors were the guests of the Merchants' and Manufacturers' Association of Baltimore. About 100 of the business men of Baltimore, all officials connected with the various commercial organizations of the city, were present at a banquet.

The toastmaster of the occasion was Charles E. Falconer, President of the Merchants' and Manufacturers' Association. The speakers for the National Chamber were John H. Fahey, President; and Mr. R. G. Rhett, Director. The speakers for Baltimore were Mayor Preston, Rufus M. Gibbs, President of the Board of Trade of Baltimore, and Omer F. Hershey.

Major Preston welcomed the Directors to Baltimore and took the occasion to point out that Baltimore is the most densely populated large city in America. It has twenty thousand inhabitants to the square mile; its total area is 30 square miles; its population 600,000. He pointed out its remarkable totals in the export of grain, both wheat and corn. He showed that this came from its well arranged terminal facilities and the present attitude of the municipality towards control of wharves. The municipal wharves of Baltimore, he stated, cost \$8,000,000 and, by reason of their control for the convenience and advantage of shipping, give admirable opportunities for international trade which are expected to add greatly to Baltimore's importance in export and import totals.

Mr. Fahey in his speech stated that only through organization is it possible to define policies either local, State or National. He remarked that the men of the nation have been so busy with individual cares and enterprises as to fail to observe as fully as possible the value of the organization relative to the national problems of commerce. Only through organization is it possible to really cooperate with the Government. He regarded the various organizations of the communities throughout the nation as a mighty power for good, whose strength should be realized through a federation of their organizations in the Chamber of Commerce of the United States. He stated that business and government have been too far apart; that the Department of Commerce has been hindered because there was no national organization to co-operate with it, and that if we are to learn from foreign nations by means of their excellent work, we shall have to realize that science, efficiency, organization and co-operation will prove the bases of our efforts for promoting American interests at home and abroad.

Mr. Rhett traced business from its earliest beginnings in individual enterprises up to the present tendencies towards vast aggregations of capital. He also traced the development of trade organizations and their struggles to bring the co-operative impulse into play in the vital business relations of a community, and stated that organization had shown that an individualistic use of capital and of enterprise without regard to the other enterprises of a community led to no safe community development. Furthermore, he regarded organizations, with their democratic willingness to include in membership every phase of a city's activities, as a guarantee of a broader,

brighter activity in all business relationships. He then led up to an explanation of the purely democratic formation of the National Chamber and its Referendum method of educating organizations to discuss national problems in a practical way.

Mr. Gibbs, President of the Board of Trade of Baltimore, an organization consisting of the officials of all other organizations in Baltimore, ran a parallel between the body which he represents and the Chamber of Commerce of the United States, and argued that if a clearing house relative to community efforts is wise, then a clearing house relative to national efforts and needs is also wise. He stated that localities can best use their opportunities relative to national affairs by operating through the Chamber of Commerce of the United States. Only by such a means can they get unity of action and have a common voice that is truly representative of national opinion. As illustrating the importance of capital and labor conferring in the solution of common problems, he showed that the workmen's compensation bill just passed in Maryland is a type of legislation secured by disposing of the differences between the parties at issue instead of accentuating them.

The address of Mr. Hershey was relative to the regional bank decisions.

### The All Colorado Committee

Colorado has appointed a committee which is unique in function, and one whose activities offer suggestions to other states. This committee is known as The All Colorado Committee, and its mission is to spread the doctrine of harmony and good feeling between the various communities of the state. The Committee is composed of three representatives each from the Denver Chamber of Commerce, The Pueblo Commerce Club and the Colorado Springs Chamber of Commerce, and the secretaries of each of these organizations are ex-officio members.

Last year, as a result of a visit of a delegation from Denver to Colorado Springs and Pueblo, it came about that these three cities, through their commercial organizations, decided to name a committee whose sole function should be the promotion of a better understanding and a more friendly spirit of cooperation.

The Committee was appointed in June, and at its first meeting it announced that its efforts would not be confined to Denver, Colorado Springs and Pueblo, but that it would be glad to use its offices whenever it could be of any help to any part of Colorado. It decided, at the outset, that it would have nothing to do with any campaign involving the raising of funds no matter how worthy might be the object.

When the Colorado Association of Commercial Executives held its annual meeting in Colorado Springs in January, the All Colorado Committee met with the secretaries, outlined the plans, the mission and the work of this committee. The secretaries gave assurance that the Committee would receive cordial support throughout the state, and so the gospel of good feeling is spreading.

The committee has undertaken its work with a full realization of the difficulties, and with an understanding that its plans will at first be received with a certain amount of skepticism, but the first nine months of its efforts have brought such good results that there is a sentiment all over the state for a continuation of the Committee and an extension of its work.

## The Membership of the National Chamber

### Analysis by States and Industries

There has been a steady growth in organization membership since the Second Annual Meeting. The organizations elected since that time represent thirteen states as will be seen in the list that follows:

#### ARKANSAS:

Hot Springs, Young Men's Chamber of Commerce.

#### CALIFORNIA:

Merced, Merced Co. Chamber of Commerce; Riverside, Chamber of Commerce; Sebastopol, Chamber of Commerce.

#### GEORGIA:

Augusta, Merchants' and Mfrs. Assn.; Brunswick, Board of Trade.

#### ILLINOIS:

Chicago,

Chicago Typewriter.

Coal Dealers' Association.

Cook Co. Bottlers' Protective Assn.

Electrical Supply Jobbers' Assn.

Federation of Trade Press Assns., in U. S.

Ill. Retail Clothiers' Assn.

Ill. Bottlers' Protective Assn.

#### MAINE:

Lewiston, Chamber of Commerce.

#### MINNESOTA:

Moorhead, Commercial Club.

#### MISSOURI:

St. Louis, Cotton Exchange.

#### MONTANA:

Helena, Ret. Mch'ts' Assn. of Montana.

#### NEW HAMPSHIRE:

Keene, Commercial Club.

Manchester, Publicity Assn.

#### NEW YORK:

Long Island City, Queensboro, Board of Trade.

New York, Natl. Paper Trade Assn. of U. S.

#### OHIO:

Piqua, Chamber of Commerce.

#### PENNSYLVANIA:

Philadelphia, Natl. Varnish Mfrs' Assn.

Warren, Chamber of Commerce.

#### VERMONT:

Battleboro, Board of Trade.

#### ANALYSIS BY STATES

The total number of organizations now constituting the Chamber of Commerce of the United States is 546. The membership is scattered over 47 states, the insular possessions and includes also the American Chamber of Commerce in Paris and in the Levant.

New York State is represented by 84 organizations; Illinois by 64, and Pennsylvania by 36.

California, Massachusetts and Ohio are close together in total representation, the first and second with 23 each and the last with 25.

Wisconsin is represented by 17 organizations; 16 organizations are from Montana, Missouri, Michigan and Indiana, respectively.

Texas is represented by 15 organizations, Iowa by 14, Minnesota by 13, New Jersey by 12, Colorado by 11 and North Dakota and Georgia by 10 each.

Virginia and North Carolina each have 9 members.

Connecticut and Maine each have 8 members; Oregon, Washington and Kansas each have 6; Mississippi, West Virginia, Maryland and Arkansas have 5 each; Tennessee, South Dakota, Nebraska, New Hampshire, Louisiana and Porto Rico each have 4 organization members.

The states represented by 3 organizations are Wyoming, Utah, Rhode Island, Florida and the District of Columbia and Alabama.

States represented by 2 organizations are South Carolina, Kentucky, Idaho, and Vermont.

Those at present represented by only one organization are Oklahoma, Nevada, Delaware and Arizona. Hawaii, the Philippine Islands, France and Turkey are also each represented by one organization.

The State of New Mexico is at present without representation in the membership of the National Chamber.

#### NATIONAL TRADE ORGANIZATIONS

In the membership of the National Chamber are many organizations whose activities are not confined to a locality. These deal with various manufacturing and other business interests, some of the organizations being state-wide and the majority national in character. An analysis of these various organizations will indicate how thoroughly the Chamber of Commerce of the United States is in touch, through its constituent members, with business activities of various kinds throughout the United States. To make this clear, these organizations are grouped under headings of their interests as follows:

#### ACCOUNTANCY:

American Assn. of Public Accountants.

#### ADVERTISING:

Associated Advertising Clubs of America.

#### AUTOMOBILES:

Automobile Chamber of Commerce.

#### BAKING:

Natl. Assn. of Master Bakers.

#### BANKERS:

North Dakota Bankers' Association.

#### BOOTS AND SHOES:

Natl. Shoe Wholesalers' Assn. of the U. S.

Natl. Boot and Shoe Mfrs' Assn. of U. S.

New England Shoe and Leather Assn.

#### BOTTLERS:

Cook Co. (Ill.) Bottlers' Protective Assn.

Ill. Bottlers' Protective Assn.

#### BREWERS:

Illinois State Brewers' Assn.

United States Brewers' Assn.

#### BRICK AND CLAY PRODUCTS:

Natl. Brick Mfrs' Assn. of the U. S.

Tile Manufacturers' Credit Assn.

United States Potters' Assn.

#### BRIDGE BUILDERS:

Bridge Builders and Structural Society.

#### CLOTHING AND DRY GOODS:

Illinois Retail Clothiers' Association.

Knit Goods Manufacturers' Association.

National Retail Drygoods Association.

National Association of Clothiers.

Natl. Assn. of Hosiery and Underwear Manufacturers.

Natl. Cloak, Suit and Skirt Mfrs' Assn.

Natl. Cotton Garment Mfrs' Assn.

National Wholesale Drygoods Assn.

Silk Association of America.

#### COAL:

Coal Dealers' Association (Chicago).

Southwestern Coal Operators' Assn.

#### COMMERCIAL SECRETARIES:

Colorado Assn. of Commercial Executives.

#### COMMISSION MERCHANTS:

Nat'l. League of Commission Merchants' of U. S.

#### CONFETIONERY:

National Confectioners' Assn. of U. S.

#### DRUGS:

National Assn. of Retail Druggists.

National Wholesale Druggists' Assn.

#### ELECTRIC RAILWAYS:

American Electric Railway Mfrs' Assn.

#### EXPORTERS AND IMPORTERS:

American Exporters' and Importers' Assn.

#### FEED AND FORAGE:

American Feed Manufacturers' Assn.

#### FOODSTUFFS:

Nat'l. Mfrs' Assn. of Products from Corn.

American Meat Packers' Association.

Bur. of Barley and Malt Statistics.

Flavoring Ext. Mfrs' Assn. of U. S.

Illinois Wholesale Grocers' Assn.

National Coffee Growers' Assn.

National Mfrs' of Soda Water Flavors.

Nat'l. Wholesale Grocers' Assn. of U. S.

#### FOUNDRIES AND MACHINE SHOPS:

National Founders' Association.

#### FURNITURE AND FIXTURES:

National Assn. of Furniture Mfrs.

Natl. Commercial Fixture Mfrs' Assn.

#### GLUE AND GELATIN:

Nat'l. Assn. of Glue and Gelatin Mfrs.

#### HARDWARE AND MACHINERY:

American Hardware Mfrs' Assn.

Am. Supply and Machinery Mfrs' Assn.

Central Supply Association.

Eastern Supply Association.

National Pipe and Supplies Association.

Natl. Machine Tool Builders' Assn.

New England Builders' Supply Assn.

Southern Hardware Jobbers' Assn.

#### IMPLEMENTS AND VEHICLES:

National Federation of Retail Implement and Vehicle Dealers' Assn.

National Implement and Vehicle Association of the United States.

#### JEWELRY:

American National Retail Jewelers' Assn.

National Jewelers' Board of Trade.

#### LAUNDRIES:

Laundrymen's National Association.

#### LEATHER:

National Association of Tanners.

Natl. Leather and Shoe Finders' Assn.

Wholesale Saddlery Assn. of U. S.

#### LIME:

National Lime Manufacturers' Assn.

#### LITHOGRAPHY:

Natl. Assn. of Employing Lithographers.

#### LUMBER AND PRODUCTS:

National Assn. of Box Manufacturers.

National Hardwood Lumber Association.

National Lumber Manufacturers' Assn.

Natl. Wholesale Lumber Dealers' Assn.

Natl. Slack Cooperage Mfrs' Assn.

Natl. Veneer and Panel Mfrs' Assn.

North Carolina Pine Association.

Tight Barrel Stave Mfrs' Assn.

Western Cigar Box Mfrs' Assn.

West Coast Lumber Mfrs' Assn.

Yellow Pine Manufacturers' Assn.

#### MILLINERY:

Eastern Millinery Association.

Millinery Jobbers' Association.

#### PAINTS, OILS AND VARNISHES:

Natl. Paint, Oil and Varnish Assn.

National Petroleum Association.

National Varnish Manufacturers' Assn.

Paint Manufacturers' Assn. of U. S.

#### PAPER AND STATIONERY:

American Envelope Mfrs' Assn.

American Paper and Pulp Assn.

National Association of Stationers' and Manufacturers' of the U. S. A.

Natl. Paper Trade Assn. of the U. S.

#### PHOTO ENGRAVING:

Natl. Assn. of Mfg. Photo-Engravers.

#### PIANOS AND MUSICAL INSTRUMENTS:

Natl. Assn. of Piano Merchants.

Natl. Piano Mfrs' Assn. of America.

#### PRINTING:

Federation of Trade Press Assns. in U. S.

United Typographical and Franklin Clubs of America.

#### RAILWAY BUSINESS:

Railway Business Association.

#### REFRIGERATION:

American Assn. of Refrigeration.

Natl. Assn. of Ice-cream Mfrs.

Natural Ice Association of America.

#### SHIPPING:

Ship Owners' Assn. of the Pacific Coast.

#### SPECIALTIES:

Am. Specialty Manufacturers' Assn.

#### STORAGE:

American Warehousemen's Association.

#### TENTS AND AWNINGS:

Natl. Tent and Awning Mfrs' Assn.

#### TRADE MARKS:

United States Trade Mark Association.

In addition to the above organizations dealing with specific interests, there are included in the membership of the National Chamber the following manufacturers' associations.

Fox River Valley (Ill.) Manufacturers' Association, Illinois Manufacturers' Association, Manufacturers' Association of Beaver County (Pa.), Manufacturers' Association of Utah, National Association of Manufacturers of the United States, Wisconsin Manufacturers' Association.

The Florida State Chamber of Commerce, the Greater Vermont Association, the Illinois Federation of Commercial Clubs, the New Jersey State Chamber of Commerce, the Minnesota Employers' Association, the Essex County (Mass.) Associated Boards of Trade, the Porto Rico Association, the Rhode Island Business Men's Association, and the State Business Men's Association of Connecticut are also members.

April 15, 1914

## The Selection of Federal Reserve Cities

**O**N the second of April, the Federal Reserve Organization Committee composed of Secretary McAdoo of the Treasury Department, Secretary Houston of the Agricultural Department and John Skelton Williams, Comptroller of the Currency, made public their decisions relative to the twelve regional reserve banks.

The announcements have caused protest on the part of cities whose claims for recognition in this particular were disregarded. The protests led to a subsequent statement by the Federal Reserve organization Committee which included these words: "Congress constituted the Committee a court and gave the Federal Reserve Board the power of review. Disappointed competitors should seek a remedy through the orderly process the law prescribes."

Prior to the decision the Committee seems to have taken a toll of national banks, relative to their choice as to reserve cities, and the Committee was apparently guided in the majority of cases by the expressions of choice. The outlines of the reserve districts are shown in the accompanying map.

In reaching its decisions, the Committee took into consideration the following factors, according to its announcement:

"The ability of member banks within a district to furnish the necessary \$4,000,000 capital for the reserve bank; the mercantile, industrial, and financial connections in each district, and the relations between various portions and a reserve city; the probable ability of a Federal reserve bank to meet the legitimate demands of business, "whether normal or abnormal"; the equitable division of available capital among all districts; the general geographical situation of each district, transportation lines, and facilities for speedy communication in it; the population area, and prevalent business activities of the district."

The Committee in its explanation made subsequent to severe criticism, pointed out that the Federal Reserve Banks are bankers' banks and will in no way affect the ordinary every-day banking relations of localities.

### THE RESERVE CITIES

The following cities have been chosen: Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas and San Francisco. Associated with the mention of each city is a statement as to the number of banks and trust companies embraced in each regional bank, also other facts of interest.

**1. BOSTON**—The area served is 66,465 square miles. The population in that area is 6,557,841. The number of national banks in the territory is 446; their capital and surplus is \$165,520,010 of which their six per cent subscription to the capital of the Federal Reserve Bank will be \$9,931,740.

**2. NEW YORK**—The area served is 49,170 square miles. The population in that area is 9,113,279. The number of national banks in the territory is 478; their capital and surplus is \$343,693,437, of which their six per cent subscription to the capital of the Federal Reserve Bank will be \$20,621,666. In this district will also be included one bank other than a national bank, that had applied for membership up to April 1st, 1914. This brings the capital and surplus of the banks in the district up to \$344,703,437; and

the six per cent subscription up to \$20,687,616.

**3. PHILADELPHIA**—The area served is 39,865 square miles. The population in that area is 8,110,217. The number of national banks in the territory is 800; their capital and surplus is \$216,340,213, of which their six per cent subscription to the capital of the Federal Reserve Bank will be \$12,980,412. In this district will also be included one bank other than a national bank, that had applied for membership up to April 1st, 1914. This brings the capital and surplus of the banks in the district up to \$216,550,213; and the six per cent subscription up to \$12,993,013.

**4. CLEVELAND**—The area served is 183,995 square miles. The population in that area is 7,961,022. The number of national banks in the territory is 724; their capital and surplus is \$192,147,258, of which their six per cent subscription to the capital of the Federal Reserve Bank will be \$11,528,835. In this district will also be included two banks other than national banks, that had applied for membership up to April 1, 1914. This brings the capital and surplus of the banks in the district up to \$193,697,28; and the six per cent subscription up to \$11,621,835.

**5. RICHMOND**—The area served is 173,818 square miles. The population in that area is 8,519,313. The number of national banks in the territory is 475; their capital and surplus is \$105,064,483, of which their six per cent subscription to the capital of the Federal Reserve Bank will be \$6,303,868. In this district will also be included nine banks other than national banks, that had applied for membership up to April 1, 1914. This brings the capital and surplus of the banks in the district up to \$109,054,683; and the six per cent subscription up to \$6,543,281.

**6. ATLANTA**—The area served is 233,860 square miles. The population in that area is 6,695,341. The number of national banks in the territory is 372; their capital and surplus is \$77,356,913, of which their six per cent subscription to the capital of the Federal Reserve Bank will be \$4,641,415. In this district will also be included ten

banks other than national banks, that had applied for membership up to April 1, 1914. This brings the capital and surplus of the banks in the district up to \$78,379,663; and the six per cent subscription up to \$4,702,780.

**7. CHICAGO**—The area served is 176,940 square miles. The population in that area is 12,630,383. The number of national banks in the territory is 984; their capital and surplus is \$211,068,338, of which their six per cent subscription to the capital of the Federal Reserve Bank will be \$12,664,100. In this district will also be included fifteen banks other than national banks, that had applied for membership up to April 1, 1914. This brings the capital and surplus of the banks in the district up to \$219,187,760; and the six per cent subscription up to \$13,151,925.

**8. ST. LOUIS**—The area served is 146,474 square miles. The population in that area is 6,726,611. The number of national banks in the territory is 434; their capital and surplus is \$80,717,981, of which their six per cent subscription to the capital of the Federal Reserve Bank will be \$4,843,079. In this district will also be included eleven banks other than national banks, that had applied for membership up to April 1, 1914. This brings the capital and surplus of the banks in the district up to \$103,655,397; and the six per cent subscription up to \$6,219,323.

**9. MINNEAPOLIS**—The area served is 437,930 square miles. The population in that area is 5,724,893. The number of national banks in the territory is 687; their capital and surplus is \$78,361,081, of which their six per cent subscription to the capital of the Federal Reserve Bank will be \$4,702,864.

**10. KANSAS CITY**—The area served is 509,649 square miles. The population in that area is 6,306,850. The number of national banks in the territory is 835; their capital and surplus is \$93,065,912, of which their six per cent subscription to the capital of the Federal Reserve Bank will be \$5,583,955. In this district will also be included three banks other than national banks, that had applied for membership up to April 1, 1914. This

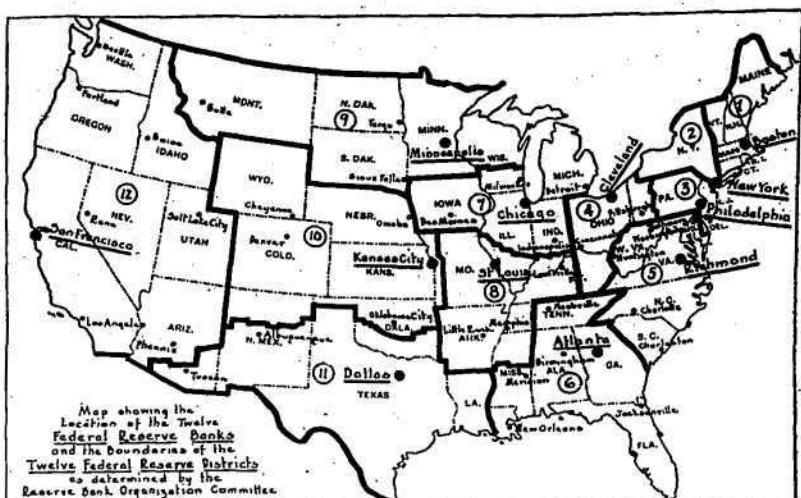
brings the capital and surplus of the banks in the district up to \$96,649,666; and the six per cent subscription up to \$5,594,916.

**11. DALLAS**—The area served is 404,826 square miles. The population in that area is 5,310,575. The number of national banks in the territory is 726; their capital and surplus is \$92,003,123, of which their six per cent subscription to the capital of the Federal Reserve Bank will be \$5,520,187. In this district will also be included six banks other than national banks, that had applied for membership up to April 1, 1914. This brings the capital and surplus of the banks in the district up to \$93,901,523; and the six per cent subscription up to \$5,634,091.

**12. SAN FRANCISCO**—The area served is 693,658 square miles. The population in that area is 5,389,393. The number of national banks in the territory is 514; their capital and surplus is \$130,423,422, of which their six per cent subscription to the capital of the Federal Reserve Bank will be \$7,825,405. In this district will also be included fifteen banks other than national banks, that had applied for membership up to April 1, 1914. This brings the capital and surplus of the banks in the district up to \$135,258,732; and the six per cent subscription up to \$8,115,524.

According to the statement of the Committee the total area served by the twelve Regional Banks will be 3,016,650 square miles. The number of national banks included in the system will be 7,475. The state banks and trust companies included will bring the total of banks up to 7,548. The capital and surplus of all the banks included in the system will be \$1,831,648,369; and the six per cent subscription to the stock of the twelve Regional Banks will total \$109,898,902.

The personnel of the Federal Reserve Board has not been announced; apparently all surmises as to the personnel are nothing but surmises. The announcement by the President of his selections is expected in less than a month, as there is very earnest desire that the whole federal reserve system should be in running order prior to the movement of crops this fall.



MAP SHOWING FEDERAL RESERVE DISTRICTS.

Courtesy of Washington Post.

# International Conference on Safety of Life at Sea

By E. T. Chamberlain, Commissioner of Navigation

The following article by Mr. Chamberlain draws attention to the main points of international agreement reached in the important Conference held in London late last year. Of immediate interest to Congress is that ratifications are to be deposited not later than December 31, 1914; regulations to go into effect July 1, 1915.

**T**HE eighteen months' following the sinking of the British S. S. *Titanic* on April 15, 1912, with a loss of 1,490 lives, were devoted to a painstaking and exact investigation throughout the maritime world into the sources of danger to travel on the ocean and the best means of endeavoring to diminish or remove them. The sea is the common property of nations and on the high seas every ship is under the jurisdiction of the government whose flag it flies. It was, accordingly, recognized everywhere that rules and regulations in the interest of safety of life at sea could only be fully effective if they were the result of the concerted and harmonious action of maritime nations.

The first official recognition of the gravity of the situation and the only method of adequately meeting it was a resolution introduced in the House of Representatives by the Hon. J. W. Alexander, Chairman of the House Committee on the Merchant Marine and Fisheries, on April 17, 1912, two days after the loss of the ship, calling for an international conference and expressing the willingness of the United States to hold the conference in Washington or to join in a conference at any other point selected by the powers concerned. The German Emperor and the British Government almost simultaneously took the preliminary diplomatic steps for the assembling of an international conference, and after an informal exchange of views it was agreed that London would be the most convenient meeting place and that the fall of 1913 would be the earliest date by which the nations concerned could complete their investigations and assemble with conclusions and propositions of permanent value.

The Conference met at London on November 12, 1913, and remained in session until January 20, 1914. The following nations were represented by Plenipotentiaries: Germany, Austria-Hungary, Belgium, Denmark, Spain, United States of America, France, Great Britain, Italy, Norway, The Netherlands, Russia, Sweden, Canada, Australia and New Zealand. The representatives of Japan were appointed at a late date and without power to sign the Convention, as the Japanese Government felt that it had not completed its studies in time to take a definite attitude.

The conference consisted of 96 delegates and technical advisers, and of 18 secretaries, of whom several were trained mariners.

## UNITED STATES DELEGATES

The delegates appointed by the President of the United States were: Hon. J. W. Alexander, Chairman of the House Committee on the Merchant Marine and Fisheries; E. T. Chamberlain, Commissioner of Navigation; Captain-Commandant E. P. Bertholf, Revenue Cutter Service; Chief Constructor Washington L. Capps, Rear-Admiral, U. S. N.; Captain Geo. F. Cooper, U. S. N., Hydrographer, Navy Department; Homer L. Ferguson, General Manager, Newport News Shipbuilding and Dry Dock



Hon. J. W. ALEXANDER Copyright by Harris & Ewing

Company; Alfred Gilbert Smith, Vice-President and General Manager, New York and Cuba Mail Steamship Company; Captain Wm. H. G. Bullard, U. S. N., Superintendent, Naval Radio Service; and George Uhler, Supervising Inspector General, Steamboat Inspection Service. United States Senator James Hamilton Lewis of Illinois was appointed a delegate but was unable to leave his duties in Washington at once. He reached the conference in time to share in the shaping of the Treaty and in its closing hours to address the Conference in cordial support of its work. United States Senators T. E. Burton of Ohio and Duncan U. Fletcher of Florida were appointed delegates but were detained in Washington by the discussions over currency legislation. Mr. Furuseth of the San Francisco Sailors' Union was appointed a delegate but withdrew from the American delegation on December 23rd and is opposing the ratification of the Convention.

The recommendations of the Conference were drawn up in the form of an International Treaty or Convention of 145 Articles covering 62 printed pages, and will soon be acted upon by the Governments, Congresses and Parliaments of maritime nations. President Wilson sent it to the Senate of the United States on March 17, 1914, together with a letter from Secretary of State Bryan concluding—

"The American delegates, who took an active part in the framing of every article and regulation of the convention, are agreed that the international standards for the safety of life at sea thus proposed to be established are higher than those of any nation now in force, and that the ratification of the convention will secure benefits for humanity by the joint action of

maritime nations which could not be accomplished by any one nation, however powerful upon the sea. There are probably points in detail in which the convention may be criticized, especially by particular interests, but in its entirety it is high testimony to the will and ability of nations to put aside special and local considerations in order to promote the progress and welfare of mankind. By its terms the ratifications shall be deposited not later than December 31, 1914. Early and favorable action, accordingly, is recommended."

The International Conference started with the belief that the first and most difficult work before it was to try to form regulations so that the passenger ship itself in its hull and internal subdivisions should be as safe as possible against perils from the sea outside and from fire within. Before the Conference met, no country had established complete regulations with respect to the subdivision of vessels into an adequate number of watertight compartments.

Great Britain, France, and Germany had undertaken extensive preliminary work concerning this important subject, and the United States had, through a committee under the Department of Commerce composed of officials of the Departments of the Navy and Commerce, submitted a preliminary report in general terms concerning some of the more important questions relating to the safety of construction. Several national classification societies, notably the Germanischer Lloyd, had done important research work, and this last-named society, utilizing previous researches of the British Bulkhead Committee, had developed and promulgated sub-

division rules.

Of the final work of the Conference on the subject of construction, which comprises fully one-fourth of the entire Treaty, Admiral Capps has said:

"Even after the most careful attention to all practicable details of design which increase the safety of a vessel at sea, there still remains the possibility of a serious and even totally destructive accident. Therefore, it is imperative that those charged with the management of vessels should never relax their vigilance on the supposition that any vessel is unsinkable."

## FEATURES OF SAFETY

In the construction Articles of the Treaty the three most important elements considered are the "margin of safety," the number of compartments which can be flooded without destroying the reserve buoyancy of the vessel, and the "permeability" to be assigned to the various spaces below the "margin line" in making calculations affecting the spacing of bulkheads.

Full details regarding this will be found in the "International Conference on Safety of Life at Sea," a document printed for the use of the Senate Committee on Foreign Relations.

One of the most important practical requirements of the convention in matters relating to the operation of ships relates to drills for the operating of water-tight doors, side scuttles, valves and closing mechanism of scuppers, ash chutes, etc. A complete drill of this character shall take place before leaving port, a second as soon as practicable after leaving port, and others thereafter at least once a week during the voyage.

Double bottoms are required for at least the forward portions of the vessel in all ships over 200 feet in length. For vessels over 300 feet in length, this double bottom is continuous from the forepeak bulkhead to the afterpeak bulkhead. Moreover, for ships more than 300 feet in length, it is required that the inner bottom shall be carried out to the ship's side in such manner as to protect the bilges. For ships more than 700 feet in length the double bottom for at least half the ship's length amidships and as far forward as the forepeak bulkhead shall extend up the ship's sides to a height above the top of the keel not less than 10 per cent of the ship's molded breadth.

The aim of the Treaty, however, is to make the ship as safe as possible from the time she is first put into the water and continuously thereafter throughout all her voyages.

On the subject of wireless equipment and operators the International Conference accepted the American laws on the subject as a basis, and improved and added to them in the light of experience so that the proposed international wireless regulation is one of the most advanced and humane chapters in the Treaty. All vessels carrying fifty or more persons—passengers or crew or both; steam, sail, or motor vessels; and passenger vessels or cargo vessels—are required to carry wireless apparatus which will transmit clearly perceptible signals a distance of at least one hundred miles by day or night. In the case of vessels going between ports or places less than one hundred and fifty miles from shore, if it can be demonstrated that

**Safety at Sea—(Continued)**

the requirement of the apparatus would be unreasonable or unnecessary, the requirement may be waived.

Every ship equipped with wireless apparatus is also required to carry an emergency apparatus to be used in the event of the disabling of the ship's main dynamos on which the power for the wireless apparatus in many cases depends. The emergency apparatus must be placed in its entirety in the upper part of the ship as high as is practically possible in a position of the greatest possible safety to be determined by the Government and must have an independent source of energy which may be put rapidly into operation. The convention requires that this apparatus must be capable of working for at least six hours.

All vessels engaged in transatlantic trade and in trade across the Pacific, with the United States, are required to maintain a constant wireless watch so that at all hours of the day or night when a ship sends out a distress call, it may be assured that there is a man with the telephones at his ears on every ship equipped with wireless within a radius of one hundred miles or more.

**CONTINUOUS WIRELESS**

The provision for a continuous wireless watch on all vessels equipped with radio apparatus, together with the requirement binding the master of every vessel to proceed to the assistance of a vessel in distress, constitute the broadest declaration ever made by maritime nations in statutory form of the principle of the mutual obligation of those at sea to aid one another when in distress. In the case of cargo boats or small passenger vessels doing little commercial wireless business one operator evidently would suffice to send out distress calls in event of casualty imperiling those on board. If not on duty at the time, he could be promptly roused and send out his call almost instantly. The second operator or watcher in the case of such vessels, however, is prescribed in the interest of safety of those on board other vessels, and is thus, in effect, a tax upon the owners of cargo boats and passengers in the interest of the general safety of ocean navigation. The London conference also recommended, though it did not require, that the number of coast stations able to send weather messages to vessels at sea should be increased; that an international weather service should be established and that all sail and steam vessels in the foreign trade should be equipped with apparatus to hear time and weather signals even if not required to carry sending wireless apparatus.

The Treaty also requires the masters of merchant vessels by all means of communication in their power to give notice to other vessels of the existence of any imminent and serious danger to navigation, especially ice, derelicts, storms, and typhoons, and an international code of signals is established by which this information can be quickly and intelligibly transmitted.

As an alternative to the establishment by Government of ocean lanes, the American delegation successfully urged that the rule of prudent seamanship laid down by Lord Mersey in the *Titanic* inquiry should be formally incorporated in the law of maritime nations, and it was incorporated in the convention.

**ART. 10. WHEN ICE IS REPORTED ON OR NEAR HIS COURSE, THE MASTER OF EVERY VESSEL IS BOUND TO PROCEED AT NIGHT AT A MODERATE SPEED**

**OR TO ALTER HIS COURSE, SO AS TO GO WELL CLEAR OF THE DANGER ZONE.**

This is a most important rule and will result in greater safety to navigation than prescribing fixed Government trans-Atlantic lanes, because, no matter where the ice may suddenly appear, the master of every vessel must either go at moderate speed or leave vicinity at once.

The Conference recognized the services which have been rendered by the United States in the destruction of derelicts, the maintenance of ice patrol, and forecasting relative to ice; and proposed that the cost for maintaining such services shall be met by contributions from the nations concerned in proportions fixed by article 7; Great Britain paying 30 per cent, the United States, France, and Germany each 15 per cent, and the remaining 25 per cent being divided among other nations. From time to time other Government vessels of the several powers will also destroy derelicts when the revenue-cutters are employed on other international duties.

While the American delegation was convinced of the value of submarine bells it did not press their compulsory use, as this bell is patented and sold by only one company. The use of this bell is recommended on lightships on important outside stations where fog is frequent. Congress has appropriated money for this purpose in the United States.

Searchlights on large passenger steamers for rescue work and other urgent purposes are recommended, but the opinion of trained seamen was against their compulsory use for purposes of navigation.

There was no dissent among delegates trained to the sea that more harm than possible good would result from providing binoculars to lookout men. The need of testing the eyesight and color vision of lookouts as well as officers, in so far as not already provided for, is impressed.

The convention recognizes that the length of the vessel is the principal factor in determining the number of lifeboats which may be carried (formerly the number of lifeboats was fixed by regulation according to the tonnage of the vessel). The length of the vessel fixes, of course, the number of sets of davits which may be set up and used simultaneously. Davits, of course, can not be placed in the bows or near the stern. Each set of davits must have a lifeboat attached to it. If these lifeboats attached to davits do not suffice for all on board, then more lifeboats must be provided at least up to a minimum fixed by the Treaty.

**LIFEBOAT RULES IN DETAIL**

In unusual cases where the vessel has accommodations for and desires to carry more persons than can be carried in the lifeboats under the rule for davits, already mentioned, based on the length of the ship, the convention allows the use of improved pontoon life rafts for, not to exceed 25 per cent of the persons on board. As indicated, the convention requires lifeboats for all in the case of practically every voyage from the United States, and the American delegation, as a whole, favored the general application of this rule to other trades. In the conference the sentiment in favor of the limited use of improved life rafts was fortified by the experience in October of the steamship *Volturno*, when the heavy sea running prevented for a time the successful use of lifeboats, and Capt. Inch set to work to build life rafts on board. The committee on life-saving appliances, after

thorough discussion, decided in favor of the limited optional use of life rafts by a vote of 11 to 2, the majority including experienced seamen like Capt. Charles, of the steamship *Lusitania*; Capt. Young, Capts. Polis and Schmalz, of Germany; Capt. Fragiacomo, of Austria-Hungary; Capt. Bulinck, of Belgium; and Capt. Veroglio, of Italy.

Arrangements must be such that as large a number as possible of boats and rafts may be launched on either side of the vessel.

Each boat must be strong enough to be lowered safely into the water with its full complement of persons and equipments. In determining the freeboard of pontoon boats each person is to be reckoned at 165 pounds (including life jacket) instead of 140 pounds, as at present.

When rafts are carried, rope ladders must always be available for use. A limited number of motor boats may be used as lifeboats.

All boats and rafts must be so stowed that they can be launched in the shortest time even under unfavorable conditions of list and trim, so that it may be possible to embark the largest number of persons possible.

Davits shall be strong enough to lower fully loaded boats when the ship has a list of 15°.

Pontoon boats must be arranged so that 2 tons of water may be cleared within 60 seconds or less.

Wooden pontoon lifeboats must have the bottom and deck in two thicknesses of wood with textile material between.

Pontoon rafts must be such that they can be handled without mechanical appliances and, if necessary, be thrown from the vessel's deck: they must be reversible, with bulwarks on both sides, and provided with at least a cubic foot of air cases or equivalent buoyancy for each person.

Seating accommodations must be provided for all carried on pontoon boats and rafts without interfering with the use of oars.

Detailed equipment for lifeboats and life rafts is provided.

**OTHER IMPORTANT SAFEGUARDS**

Special provision is made for the lighting of decks and compartments in case of accidents disabling the ship's main lighting plant. Provision must be made for lighting the different parts of vessels, particularly the boat deck, and on new vessels an emergency lighting plant must be installed as high as possible in the upper parts of the vessel. This emergency lighting system will probably be installed in connection with the emergency wireless system. The same article requires the exit from every compartment to be lighted by an emergency lamp, independent of the regular lighting plant.

To prevent fire the Treaty prohibits the carriage either as cargo or ballast of goods which by reason of their nature, quantity, or mode of storage are, either singly or collectively, likely to endanger the lives of passengers or the safety of the vessel.

The division of the ship below the bulkhead deck by watertight bulkheads, of course, secures protection against the spread of fire below the margin line. Above the margin line fireproof bulkheads are required. Further, to check the spread of fire a continuous patrol system is prescribed for the prompt detection of fire. The apparatus for extinguishing fire is described, and fire musters and drills are required.

The convention aims to prevent disasters, particularly by messages to navigators of impending sources of

danger and by intercommunication between ships; if, however, a disaster should occur, the convention next aims to provide for a ship which will keep afloat the longest possible time until it can reach port or until assistance may arrive. It then provides for the general use of radiotelegraphy to enable the largest number of vessels practicable to render assistance to a ship in distress, whether from external cause (collision, typhoon, etc.) or internal cause (breaking of shafts or loss of propellers in storms, fire, etc.). Abandonment of the ship was recognized by the conference as the last resort and under modern conditions of navigation, which the convention aims to improve, the occasions will be rare when all on board a ship must leave it with no other ship near enough to offer prompt assistance. Even on such rare occasions, storm or high waves sometimes, of course, render the successful launching of loaded life-boats from high decks impossible.

When all on board the ship must leave, the convention recognizes that the work of the entire crew is transferred from the ship to the lifeboats, and in some cases, as already indicated, to life rafts. To provide for the rare occasions when no other ship is in sight and all hands must take to the boats, the Convention provides that for each lifeboat or life raft there must be at least three certified lifeboatmen to take charge of the lowering and general management of the boat under the directions of an officer. Each lifeboatman must prove that he has been trained in all the operations connected with launching lifeboats and the use of oars; that he is acquainted with the practical handling of the boats themselves; and, further, that he is capable of understanding and answering the orders relative to lifeboat service. He must have a government certificate to this effect.

There are many other provisions in the Convention looking toward increased safety in various details but those mentioned include the principal requirements.

The convention requires an inspection and survey of every vessel subject to the convention to determine that it complies in an efficient manner with convention requirements. "In every case the Government concerned fully guarantees the completeness and efficiency of the inspection and survey." This obligation will involve an increase in the inspection force of the United States in view of the requirements of the convention, some of which are not provided for by the laws of the United States.

As testimony that a vessel has thus been found by inspection and survey to comply with convention requirements, the Government concerned issues to it a certificate called "safety certificate," and "the State to which the vessel belongs assumes full responsibility for the certificate." The certificate is not valid for a longer period than one year and another inspection and survey are necessary before the issue of another safety certificate. Inspection and survey at least annually are thus prescribed, and further surveys are required "every time an accident occurs or a defect is discovered which affects the safety of the vessel or the efficiency or completeness of its life-saving appliances or other equipment, or any important repairs or renewals to be made." The safety certificate "shall be regarded by the Governments of other contracting States as having the same force as the certificates issued by them to their own

vessels." This provision, and in fact the convention, is a declaration by the nations accepting it that they are prepared to trust one another to carry out engagements, mutually agreed upon, in the matter of safety of life upon the sea, which is the common property of nations and over which no one nation exercises exclusive domination.

Germany and France have always held that the flag carrier with it full control over the ship which flies it—even in foreign ports—by the Government to which the ship belongs. The United States and Great Britain have held the contrary theory that a foreign ship in one of their ports is subject to the jurisdiction of the Government of the port. The conflict between these two theories is sharp, and for a time at the conference it seemed impossible to reconcile them. The matter was referred to the American and German delegations to effect, if possible, a compromise. These delegations after several meetings agreed upon the following article, which was adopted by the conference:

Every vessel holding a safety certificate issued by the officers of the contracting State to which it belongs, or by persons duly authorized by that State, is subject in the ports of the other contracting States to control by officers duly authorized by their Governments in so far as this control is directed toward verifying that there is on board a valid safety certificate, and if necessary, that the conditions of the vessel's seaworthiness correspond substantially with the particulars of that certificate; that is to say, so that the vessel can proceed to sea without danger to the passengers and the crew.

The right of necessary inspection is affirmed. The principal of this article is essential to prevent the unnecessary duplication of inspections here and abroad.

The International Convention, of course, applies only to vessels engaged in foreign trade, as each State reserved to itself the full control of its own coasting trade. In the foreign trade the convention applies to mechanically propelled (steam, motor, and internal combustion) merchant vessels which carry more than 12 passengers. The laws of the United States at present treat as a passenger vessel any steamer carrying even one passenger; but not infrequently the freight steamers carry three or four passengers between ports, as on the rivers of Alaska at certain seasons, or to ports in Central America or Mexico, at which passenger steamers are not available, but to and from which Americans must proceed in the course of business. The limit of 12 persons is that fixed by British law and was the compromise accepted as against the limit of 20 proposed by others. The American delegation at the outset favored the preparation of a convention which should also apply to freight steamers. It soon became evident, however, that to draft the different rules required for freight steamers would prolong the conference much beyond the time this delegation was prepared to remain, and would also so overload the conference that much less satisfactory conclusions as to passenger steamers could be reached. This difficulty was particularly serious in the matter of hull construction, where the problems connected with cargo are somewhat different from those connected with passenger steamers. Furthermore, an international conference is to be held at London later this year to consider uniform load lines and deck loads, and Congress has provided for American representation at this conference which will consider more particularly cargo vessel problems.

## Foreign Ship Subventions

The following subventions paid by foreign countries to merchant ships were reported to Parliament in 1913 by the commercial department of the British Board of Trade. The figures given are in round numbers:

### AUSTRIA (1910):

Mileage bounty, Austria Lloyd	\$1,030,000
State subsidies to A. Lloyd	250,000
Dalmatian Service	190,000
Development of Navigation	40,000
Steam Navigation on River Drava	250,000
Postal subsidies	310,000
Reimbursement Suez Canal dues	480,000
Working and voyage subsidies to non-subsidized navigation	1,450,000
	\$4,000,000

### HUNGARY (1910):

Contract lines	\$545,000
Non-contract lines	75,000

\$620,000

### FRANCE (1910):

Construction bounties	\$1,800,000
Navigation bounties	5,200,000
Postal subventions	5,500,000

\$12,500,000

### GERMANY (1910):

Postal subsidies to North German Lloyd and German East Africa Line	\$1,750,000
also:	

German East Africa and German Levant Line get indirect bounties in form of largely reduced transportation rate on all German State Railways to goods exported on through bills of lading from inland places by either line.

### ITALY (1910):

Commercial, maritime and postal services	\$2,100,000
Navigation and construction bounties	1,600,000

\$3,700,000

### JAPAN (1911):

Extending S. S. routes	\$5,600,000
Encouraging navigation	838,000
Encouraging ship building	550,000
Training seamen	2,500
Subsidy to life boats	10,000

\$7,000,500

### RUSSIA (1912):

Encouragement of Mercantile marine	\$3,675,000
Subsidies to River S. S. Cos.	235,000
Encouragement of ship bldg.,	55,000

\$3,965,000

### GREAT BRITAIN & COLONIES:

Subventions and Mail pay (1908)	\$3,320,000
Admiralty subsidy to Cunard Line (1909)	730,000
Royal Naval Reserves (1909)	1,785,000
Canadian subsidies and mail pay (1910)	1,580,000
Canadian fisheries bounty (1909)	160,000
Australian and New Zealand subsidies and mails (1909)	1,265,000
Cape Colony subsidy (1909)	655,000
Jamaica subsidy (1909)	195,000

\$9,690,000

### UNITED STATES (1912—Act of 1891):

Mail pay (includes encouragement of commercial and naval facilities)	\$980,000
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**EXPRESS SERVICE:**—W. H. Chandler, Assistant Manager of the Traffic Bureau of the Merchants' Association of New York has brought out, through the La Salle Extension University of Chicago, a volume of 340 pages dealing with "Express Service and Rates." It covers the whole express field from higher organization and service to rates and classification. The relation to the parcel post is also carefully discussed.

**WORLD-WIDE ISSUE:**—The Dry Goods Economist, published in New York, has decided on a quarterly edition to be known as its world-wide number. The first issue of this quarterly periodical appeared on April 4. It is intended to be circulated extensively abroad and is part of the movement of American business men for a substantial extension of export trade.

## Cooperation and Foresight

The 25th Annual Meeting of the North Carolina Pine Association was held in Norfolk, Virginia on the 26th and 27th of March. The Association is named after a type of pine peculiar to Virginia, North Carolina, South Carolina and parts of Maryland. The purpose of the Association is to produce co-operation among the lumbermen operating in North Carolina pine and also co-operation between producers and the consumers, some of whom are the largest box manufacturers of the Nation. Consequently, the attendance reached very much further than the states of operation. There were men present from many important cities. Horton Corwin the President in resigning his office, made a statement that is applicable to the Nation over and is here included:

"Each unit in any line of industry which attempts to stand aloof from its competitors in the same line of industry not only courts isolation, but inertia and often failure. The problems which confront the industrial activities of our country have become so complex and invention and enterprise are constantly introducing so many innovations in machinery and methods as to make necessary frequent interchange of ideas, plans and purposes. The wise man of today in any line of activity must recognize the necessity of mutual interdependence."

An important impulse was indicated in the discussions of the Association. It was that instead of waiting for the evolution of workmen's compensation bills it would be appropriate for employers themselves to consider the whole question of workmen's compensation and prepare to get behind the campaign for a compensation bill that should be equitable to both employer and employee.

## Thrift Congress

The American Society for Thrift of which Simon W. Straus of Chicago is the President, is organizing an International Congress of Thrift to be held in San Francisco during the time of the Exposition. The American Society for Thrift was organized to emphasize the dignity and importance of individual thrift for "without greater individual thrift, thrift of municipalities, states, and the Nation can not be expected."

The Society has sent to the press, to industrial, commercial and farmers' organizations and to organizations representing transportation and labor, an invitation for ideas and suggestions as to the subjects, methods, and general plan of the International Congress of Thrift.

A valuable Annual Meeting idea was worked out by the Passaic, N. J., Board of Trade last month. Instead of inviting the membership to a banquet with limited attendance, a fine musical program together with one address was offered to the community, 1,500 attending. The address was delivered by E. F. Trefz, Field Secretary of the National Chamber, and practically reached every home with the idea of community development.

The Minneapolis Civic and Commerce Association has sent out letters to other organizations relative to the idea of each organization giving lectures of introduction to members leaving to go to other cities; part of the system to be a notice at the same time to the organization in the city in which the member expects to take up his residence. The Minneapolis Civic and Commerce Association invites expressions of opinion relative to opening such reciprocal relations.

## City Planning Notes

**T**HE City Plan Commission of Newark, N. J., has issued a valuable volume entitled "City Planning for Newark." It is full of suggestive material for any city. It, like the book on Erie, Pa., referred to in the last issue of *The Nation's Business*, is of value to any city confronted by problems of city planning, and desirous of learning the solutions evolved as a result of study by other cities. The volume has 45 illustrations and diagrams.

The subject as a whole is divided into chapters. The first chapter contains brief statements of the chief functions of a good city plan. Chapter 2 is devoted to municipal decorations; chapter 3 treats of the width and arrangement of streets; chapter 4 is on harbor development; chapter 5 deals with the subject of re-located markets; chapter 6 reviews the trolley transportation problem; chapter 7 is a review of the Morris Canal situation; chapter 8 is devoted to municipal recreation; chapter 9 reviews the work of the Commission; chapter 10 defines unfinished research.

### RADIAL THOROUGHFARES

In connection with the above reference to city planning, it is appropriate to quote from a speech delivered by Wm. C. Ewing, Chairman of the Committee on City Planning, of the Boston Chamber of Commerce. His speech delivered before the Massachusetts City Planning Conference, dealt with the subject "City Planning and Business Efficiency." A paragraph of very general application is here quoted:

"With the modern development of cities, it has become apparent that one of the greatest needs, perhaps the very greatest, is for radial thoroughfares connecting the heart of the city with the residential districts. This is not only true of New York and Boston; it is just as true, though to a less degree, of every country town. All street developments, whether the community be large or small, should be planned with this in view,—every street widening should have a definite relation to the main arteries through which people travel from the business district to their homes."

### Materials for Plans

The American City Bureau of New York which brought together the City Planning material exhibited in the New York Public Library last November has re-arranged the material for purposes of transmission and exhibition in other cities. This exhibit is designed to show just what city planning means, the problems of the city, the question of communication with the outside world, sanitation and health, guarding against disaster, public convenience, recreation and education, encouragement of industry, suburban development, public control of private activity, city planning procedure and the financial aspects of city planning.

### Massachusetts Conference

A Massachusetts conference on city and town development was called by the Governor of Massachusetts in Boston, April 4. President Fahey of the Chamber of Commerce of the United States presided. A very helpful address was delivered by B. M. Rastall on "Fundamentals in City Development." Discussions were held on topics such as "How can Massachusetts Compete with Western Promotion Offers?" "The Development of the Small Town—How Can it Best be Accomplished?" and "Co-operation Between Town and Country for Mutual Advancement." The arrangements were made by Emmett Hay Naylor, Secretary of the American Association of Commercial Executives.

# Training the Children for Efficient Lives

The following statement relative to national needs in the direction of vocational education is from the pen of H. E. Miles, General Chairman of the Standing Committee on Vocational Education, of the Chamber of Commerce of the United States. It sets forth in an impressive manner the waste of human lives, the loss of efficiency that comes from the inadequate preparation of children for mature lives in the world. It specially emphasizes the value which is being realized by continuation and corporation schools. Significant statistics are included.

**W**E think ourselves exceedingly considerate of our youth. With abounding affection we have invested \$1,000,000,000 in school plants of which we are very proud. We spend \$500,000,000 annually in the maintenance of our public schools. We are equally generous as respects higher education and all our expenditures are increasing rapidly in amount. We have a general feeling that all our children go to school and "get education."

And yet Dr. Kirschsteiner of Munich, probably the best authority in the world upon the education of that great part of the youth who enter the vocations early in life, says: "Nowhere, except in Russia, have I seen such neglect of childhood as in England and the United States."

Education is the fitting of the individual to take his place and do his part in the life of his age and nation. We educate our horses and mules to lives of service according to their several abilities. We give no such care to three-fourths of our children. We train them only to the point where they are ready, if the comparison may be continued, "to break to harness," to the point of realization upon all the efforts that have gone before, and then we turn them loose upon the public highway, dazed, uncertain, undirected, without reasonable prospect of intelligent advancement.

American-like, we have trusted to lavish and huge expenditures rather than to intimate knowledge and direction. There has resulted an abstract and generalized education that leads four and one half per cent of the children into the professions and the rest nowhere in particular. Quite to the contrary it is the duty of city and state to accompany each child definitely and particularly into a fit occupation and not forsake him until he is well upon his way to a life of successful service, of growing self expression and accomplishment, in the interest alike of himself and society.

## MILLIONS LEAVE SCHOOL EARLY

One million children per year, being sixty per cent of all who are born in America, quit school by the end of the fourth, fifth and sixth grades, when they have acquired substantially nothing beyond the three R's, having reached in most cases the fourteenth year and adolescence—quit because the law permits and they will no longer endure schools that do not fit. In New York State sixty-five per cent so quit; in some of the mill towns of Massachusetts, sixty-five, to seventy per cent; in St. Louis, seventy-two per cent; in New Haven, sixty-five per cent. In New York City there are approximately eighty thousand of these children fourteen and fifteen years of age out of school in idleness or in casual, unpromising jobs; in Boston twelve thousand; in Detroit seven thousand; in Chicago thirty thousand. Divide by eighty the population of any industrial town of whatever size and with rare exceptions you approximate the number of these drifting fourteen and fifteen year old children. We are still half slave and half free. In our native stock, we are half educated and half uneducated. And about a million immigrants come in yearly, mostly from countries with the lowest educational standards, adding their toll to the burden of civic and economic inefficiency and semi-incapacity. That we stand up under this is an indication of the strength and native worth of this same sixty per cent. of our citizenship, a very considerable part of which struggles upward to place and consequence. It confirms also the general confidence that our vast public educational forces have today in them much of vital worth.

Business men of themselves can not hope to make any great and especial contribution to the problem of the education of children before their fourteenth year, when most of them always leave school and will so far as we can foresee. We may note, however, with concern the deliberate estimate of the federal bureau of education that the elementary schools are only forty per cent. efficient and the high schools sixty per cent. meaning thereby that up to the fourteenth year and the time when all children leave school who become the industrial workers of the land, they are actually at work in school, in study and in recitation, only forty per cent. of the five schools hours, or two hours out of each twenty-four for about one hundred and thirty days per year, of average attendance; and those who are in the high school, being about ten per cent. of all, actually work only three hours per day.

We may expect that in this country as in others, educationally more thoughtful than we, children will be taught with some especial reference to later occupational needs. And we can help to this end, not forgetting, however, that the fundamentals must be taught to all after much the same fashion and the opportunity for specialization is limited at best in these earlier years, and the professional educators must lead in this work.

It is with adolescence, and with the years that follow, that business men are more especially concerned and must especially interest themselves.

## THE VALUE OF GUIDED ADOLESCENCE

Adolescence is more than we have commonly supposed. It is at this time that the child ceases to be merely imitative and obedient: that those qualities assert themselves which especially distinguish men from brutes, the creative faculties and the will. It is then that the child is

bound to do things, to enter upon man's work and meet the world. The more imaginative child can exercise these faculties in the old time school and in the abstract. The concrete minded child must enter the world of real things. To continue to bind him to the wooden bench and the printed page too often, as Mr. Edison says, palsies the will, even as the arm is palsied that is bound helplessly to the side.

For those who enter the occupations at fourteen to sixteen there must be schools in connection with the occupations, "Continuation Schools," wherein education is continued in and through the occupation. England excepted, the countries of northern Europe have had these schools for generations, even for centuries, and through them have developed the mass of their citizenship in such superior measure as to warrant Dr. Kirschsteiner's estimate of us. We have only to adjust and Americanize the experience of these countries from which we have always gotten our best trained and best balanced workers and citizens. These schools are now being established in many places in this country. While the total cost must be very considerable, the cost per student is relatively low and present buildings and equipment are so far used as to make these items often almost inconsiderable.

Business men and the nation as a whole must choose in a measure between flat legislation, mere legal pronouncement which will raise wages, shorter hours, and attempt generally to lift the unfortunate and the hitherto unconsidered workers into comparative comfort without especial regard for their efficiency; or continuation schools, wherein efficiency is made the prime consideration.

Our country can afford to do anything that strengthens the character of its citizenship. It can not afford to do anything that weakens the character of the people in self-reliance, initiative, energy, will-power and efficiency.

We all believe in minimum wage commissions of some sort, but a commission that says that a worker earning five dollars shall receive eight dollars, or nothing, too often declares, in effect, that the worker shall receive nothing. Is it not, sometimes, also a taking by legal force of the three dollars difference from the more efficient and worthier? Rather let us make the five dollar person worth eight dollars and then nine and more, lifting the most capable even to the highest places in industry and commerce, by coupling with the occupation the school that interprets it.

## THE GAINS FROM PRACTICAL EDUCATION

The establishment of these schools means that the great body of our people shall have educational assistance throughout their lives and shall not be cast into outer darkness by virtue of going into employment. It means that all the social forces shall conspire to the education and development of the workers; that children from fourteen to seventeen years of age shall be released from employment for a few hours a week for this schooling because at this age they are too tender for night school after the day's hard work. It means that business men and laboring people, as especially interested, shall see to it as far as possible that the instruction given in these schools is of an exceedingly practical nature, so as to count as directly and immediately as possible for increased efficiency and happiness in the day's work, as well as for better social and economic understanding. Adult workers can, for the most part, study outside of working hours without bodily hurt or overstrain.

Through these schools, as in Northern Europe, a new appreciation is coming of the value and dignity of labor, not sung in poetry only but lived in action. The best that is in us has come from the day's work. The men at the top in commerce and industry everywhere have, mostly come up through the school of hard knocks. Estimates in all parts of the country show from eighty to ninety per cent. of the leaders in the various communities to be self-made men, graduates of the School of Hard Knocks. In Germany a survey of 105 of the foremost industries shows 64% of the men at the top in both managerial and technical positions to be from the school of experience assisted there, however, and their way made immeasurably safer and easier by her continuation schools. The men in these industries, from her so-called higher institutions were for the most part working under and not over these men from the continuation schools. This is not said in disparagement of higher institutions but only to indicate the extent to which we of the United States are wasting our manhood and making difficult rather than rationally easy its proper development, and how we will not save and elevate it.

We talk of the conservation of resources. There is only one natural resource that is altogether invaluable, the only natural resource that increases with use, that resource for which all others exist and which alone makes others valuable, the human resource, the brain and spirit and muscle of the people, a resource which Professor Fisher of Yale estimates to be of the money value of \$200,000,000,000, or five times the money value of all our other resources combined. We must consider also the happiness of the people, for happiness, one of the "inalienable rights," is a property right more precious than money.

How we are wasting the human values can not be conceived by those who have not visited these vocational schools and seen the students

gathered there. We there find innumerable, groping, undirected, suffering little souls, starving hungry for educational assistance in and through their occupations. We find American-born mechanics with the grime of the shop deep in their hands, men of admirable native capacity, products of our elementary schools, who, as an educator has said, either never acquired the fundamentals of education or have forgotten them, eager as can be for a fair opportunity to make of themselves ever better and better men and workers.

#### EMPLOYERS GAIN BY GUIDING EMPLOYEES.

Nowhere are better results found than in retailing where low wages, temptation, and inefficiency, rapidly give way to efficiency and advancement, surpassing expectations. It is the experience of some of the best retailers in America that they can afford to give the time of employees during the quiet hours of the morning without loss of pay for this schooling, and that a sales-person spending a morning in such a school can sell more in the afternoon than formerly in the whole day.

So the superintendent of apprentices in the shops of a great railroad voices the judgment of many employers that the cheapest wages paid his apprentices are those paid for the hours in school, from seven to nine, two mornings in the week, when boys are freshest and learn best.

The best word today is that we have gotten quite beyond the period of mere contemplation and talk. Five states have enacted legislation enabling their several communities to establish these schools and to require the attendance of children, in employment, from the fourteenth to the sixteenth year and employers to adjust themselves thereto. The state contributes largely, one-half, to the maintenance of these schools. Boston is the first great city to make full use of this opportunity, and is planning to care for all her children in employment, beginning next September. A great city in New York State is making similar preparations and we may expect others soon to follow.

Great corporations throughout the country are conducting such schools at their own expense very successfully, some 260 of them being united in the National Association of Corporation Schools for the greater co-ordination and development of the work. One state, Wisconsin, has by statute caused these schools to be established in every community of over five thousand inhabitants, and required the attendance of substantially all the children who need them in cities and towns of over 5,000 population. This has been accomplished with the earnest and happy co-operation of all her people. There are about 9,000 fourteen to sixteen year children in her schools and 11,000 older persons.

A federal commission will soon report upon the advisability and manner of appropriating federal moneys to the support of these schools. There is reason to expect favorable action upon the part of Congress.

#### EDUCATION AND INTERNATIONAL TRADE EFFORTS

From the domestic standpoint, the need of these schools is imperative. International considerations are equally imperative. The ocean no longer separates the continents; now it binds them together. All our people must be as intelligent and skilled as those of any other nation. In international trade we occupy too much the position of a huge stevedore, carrying down to the ships of the sea crude and semi-crude materials, irreplaceable products of forest, mine and soil, the heritage of the ages. That they bulk large in money figures is not sufficient reason for congratulation. For instance, in 1911 we exported \$1,89,536,724 of manufactured products, but of this, 56 per cent, or \$66,582,970 were of crude and semi-crude materials. Such exports carry only from 3 to 15 per cent of factory labor. German, French and English exports carry 40 to 70 per cent. This left exports of only \$53,000,000 of more highly finished manufactures.

Other nations, lacking our wealth of raw materials, make the cultivation of their human resources the basis of their prosperity and happiness. They sell brains; we sell materials. If our exports may be estimated to carry 70% material and crude labor and 30% skilled labor and management, we have to reverse the figures for imports which represent the maximum of brains and the minimum of raw materials. We export cotton at 14 cents per pound and buy it back from the thrifty Swiss in fine fabrics at \$40 a pound. We export steel at 1¼ cents a pound and buy it back at \$2 a pound, and in fine instruments at \$10 a pound. We export hides and import gloves; export copper and import art bronzes.

There are only four great manufacturing nations in the world; England, Germany, France, and the United States. Outside these nations are one and one-half billion souls looking mostly to these nations for their manufactured supplies. We yield to none in native ability. We want no unnecessary safeguards or handicaps. We want to, and we must, strip for the race, fit in every respect. Business at the top has become one of the great professions. The element of fitness, special training and readiness must reach down to the bottom.

The nation is about to answer all just demands for better wages and better living conditions, even for the inefficient; for social and economic recognition of great numbers of heretofore little regarded toilers; and to answer by training just as far as possible in and through employment, training for efficiency, and to sell abroad highly finished products, brains rather than materials.

Everyone should immediately interest himself in his community to the end that his community may not lag behind and that the work may not be less fortunately undertaken by others.

The Chamber of Commerce of the United States has a committee at work upon this subject. The foregoing is not a statement from the committee, nor in anticipation of its report but rather a statement of some of the vital aspects of the situation.

## A Corporation School in Passaic

**T**HE wide-spread realization that professional or practical instructors from expert help for manufacturing establishments is not born Co., will be employed.)

#### COURSE No. 1: SALESMANSHIP

##### POLICY OF OUR ORGANIZATION,

##### STUDY OF BUSINESS GETTING,

- (a) How to Travel and Live on the Road.

- (b) Our Catalog.

- (c) Intelligent Order Writing.

- (d) Personality and Courtesy.

- (e) Branch Houses, Jobbers, Dealers and Consumers.

##### STATISTICS OF THE UNITED STATES,

- (a) Distribution of Population and its Characteristics.

- (b) Industrial Centers and the Requirements of Local Trade.

#### COURSE No. 2: ENGINEERING

##### RUBBER AND ITS MECHANICAL USES,

- (a) Judging the Varieties of Crude and Reclaimed Rubber.

- (b) Studies in Power Transmission and Drive Belts.

- (c) Conveying Machinery and Rubber Belts.

- (d) Fire Hose and Fire Fighting Apparatus.

- (e) Practical Lessons in Packing Joints and Stuffing Boxes.

- (f) Rubber Hoses and its Various Uses.

##### RUBBER ROLLS AND THE PAPER INDUSTRY,

##### RAILROADS AND AUTOMOBILE EQUIPMENT,

##### ABRASIVE MATERIALS AND GRINDING,

##### ORNAMENTAL AND USEFUL FLOOR COVERING,

##### BRASS FITTINGS,

##### CHEMISTRY OF RUBBER:

- (a) Physical Testing of Rubber Goods.

- (b) Rubber Compounds and Their Ingredients.

- (c) Vulcanization.

##### TEXTILES AS APPLIED TO RUBBER MANUFACTURES,

##### LABORATORY PRACTICE,

##### TESTING OF PURCHASES,

##### FACTORY BUILDING:

- (a) Mill Construction; Cement; Brick; The Ideal Rubber Factory.

- (b) Drafting, Elements of Mechanics and Hydraulics.

- (c) Power Plants, Boilers and Fuel Consumption, Reciprocating Engines, Turbines, Electric Motors.

- (d) Rubber Machinery and Mold Making.

- (e) Technical Magazine Reading.

- (f) Visiting Other Industries.

#### COURSE No. 3: MANAGEMENT

##### STUDIES IN EFFICIENCY,

##### FIRE AND ACCIDENT PREVENTION,

##### MOTION STUDIES AND ROUTING OF FACTORY PRODUCTS,

##### LABOR AND LIABILITY LAWS,

##### RELATION OF EMPLOYEE TO EMPLOYER,

##### WELFARE WORK:

- (a) Benefit Societies.

- (b) Recreation Clubs.

- (c) Visiting Nurse.

##### HOSPITAL CORPS PRACTICE:

- (a) First Aid to the Injured.

- (b) Sexual Hygiene.

- (c) Contagious Diseases.

##### PENSION SYSTEMS,

#### COURSE No. 4: ACCOUNTING

##### BOOKKEEPING AND AUDITING,

##### PAYROLLS,

##### BILLING AND COLLECTIONS,

##### BANKING METHODS—HOW TO MAKE LOANS

##### AND TAKE CARE OF THEM,

##### PRINCIPLES OF INCORPORATION—STOCKHOLDERS, DIRECTORS AND OFFICERS,

##### PRICE RECORDING,

##### COST KEEPING,

##### STATISTICS: HOW TO ANALYZE ASSETS AND

##### LIABILITIES OF A STATEMENT,

##### BUYING AND STOREHOUSE SYSTEMS,

##### SHIPPING, PACKING, FREIGHT RATES AND

##### CLAIMS,

#### COURSE No. 5: CORRESPONDENCE

##### THE RULES OF BUSINESS LETTER WRITING,

##### CONTRACTS,

##### CREDITS,

##### FILING SYSTEMS,

##### SIMPLE LESSONS IN ENGLISH,

##### TRANSLATION—GERMAN, FRENCH AND SPANISH,

##### DICTATION AND WRITING MACHINE,

##### MAIL MATTER,

##### ADVERTISING:

- (a) Catalogs and Business Literature.

- (b) Advertising Copy and Information Spreads.

- (c) Lists of Customers and Prospects.

- (d) Addressograph.

- (e) Printing and Stationery.

- (f) Photography.

A Circulating Library (Branch Passaic Public Library) for advanced reading courses will be provided free of expense and will be open till 10 o'clock every night except Saturdays and Sundays.

## The Curriculum

**S**TEADY: Only employees of the Company are eligible. This includes boys, girls and adults from the Mills and Administration Building.

**Courses:** There will be five courses: 1. Salesmanship; 2. Engineering; 3. Factory Management; 4. Accounting; 5. Correspondence. Length of courses, four years.

**ATTENDANCE:** Two hours a week, Mondays and Thursdays, from five to six P. M., except when the exigencies of business prohibit.

**EXAMINATIONS:** None.

**INSTRUCTORS:** To be confined to officers and employees of the Company. (After the first year no pro-

## Some Matters of Interest in Organization Work

### San Francisco Statistics

**T**HIE Chamber of Commerce of San Francisco is seeking to give definite and valuable aid through its Information and Statistical Department, established six months ago. This Department has already issued an Annual Statistical Report, and expects through future reports and the information it will supply upon request, to be of material benefit to the business interests of that section.

Monthly data filed by card system is kept up to date on bank clearings, real estate sales, exports, imports, post-office receipts, savings bank deposits, building operations, population, bonded debt, mortgages, weather statistics, tax rates, assessed valuation, number of hotels, apartments, etc.; also data relative to factories in industrial area and articles manufactured.

This department works in conjunction with the Marine department, where information and statistics are kept covering the import and export trade of San Francisco. Every ship entering or clearing the harbor is reported in the Marine department; a copy of each ship's manifest is obtained and data compiled relative to the exports and imports to and from non-contiguous territory of the United States, viz: Alaska, Hawaii and the Philippines. In addition to these, figures are compiled on commodities by weight covering articles that are not listed by weight in the United States Custom House.

No attempt is made in the Information Department to compile data unless the figures can be proven to be absolutely reliable and authentic. A great deal of data that would be of inestimable value to this, or any other city, cannot be procured for various reasons. For instance, only the water shipments to and from the city can be recorded as the railroads do not keep figures according to commodities unless shipped in carload lots. Figures on the bulk of the trade of this city are thus not procurable.

Framed announcements briefly stating the purposes and objects of this department are hung or displayed in the lobbies of all the prominent hotels, information bureaus, and railroad and steamship ticket offices. In addition, a small card is distributed to the rooms of prominent guests arriving at the larger hotels, asking tourists, merchants, investors and capitalists to communicate with this organization if it can be of any service to them in furnishing reliable and authentic statistics on any subject.

An effort has been made to keep on hand names and addresses of principal dealers in various lines of trade, as well as persons who make a specialty of gathering information in any lines of trade, and also prominent members who have been in any one business for such a long period of time that they are considered expert on the subject. In this way, when an inquiry is received by mail, telephone or personal call, for information on a subject that could not be recorded by card index, the parties above referred to are communicated with and the most intelligent information obtainable is furnished on short notice.

This department works in conjunction with the Publicity department in the distribution of all publicity matter, and thus economises labor.

### Safety First Campaign

**A**N interesting method of undertaking a Safety First campaign, and one easily adaptable to any city, is furnished by the Rochester Chamber of Commerce. The "Safety First" campaign was first made general in Rochester by the Accident Prevention Committee of 1912, that at the Christmas season a year ago undertook to inform the public of the dangers of street accidents.

The element of curiosity was used to good purpose in this campaign. On a certain morning, all of the street cars in Rochester carried upon their dashboards a large sign with the single letter "S" in red. Many conjectures as to the meaning of this "S" were advanced during the next few days. Three days after the first appearance of this sign, it was replaced by another carrying the words: "Safety First" in red letters which remained for the rest of the year. Co-incident with this sign, a card was placed in the display racks inside the car carrying copy urging personal regard for safety. In fact, the keynote of the whole campaign was the responsibility of the individual for his safety and for his acts, that they should not endanger the safety of another.

At the same time, the Accident Prevention booklet was distributed to all of the members of the Chamber, to every employee of the street car company, to the police force, and to drivers of all vehicles, urging their co-operation. Throughout the entire campaign, the newspapers were supplied with good, live, news stories showing the plan and scope and incidents of the campaign. Fifty thousand enclosure slips for bundles delivered from department stores were issued. Speakers were supplied to clubs and organizations, and notices were posted in the garages for the information of automobileists.

The campaign was successful. It was found that the severity of accidents during the months of December, January and February, as compared with previous years, was greatly reduced, although the number of accidents was practically the same.

In the summer of 1913, the Accident Prevention Committee organized four mass meetings held in the Convention Hall for the purpose of informing the public of the value of the "Safety First" idea to them. One afternoon was set aside for children. Five thousand buttons were distributed. The evenings were divided as follows: Industrial Night, Kodak Night, Public Service Night. At each of these meetings, appropriate speakers from out of town were secured; special moving pictures were shown; there were lantern slide talks, and exhibits of different sorts were displayed around the hall. It was estimated that at least five thousand persons attended these meetings and were reached both by visual and oral messages. The idea conveyed by each message was: "so conduct yourself that no one can injure you and that you will injure no one. That is the meaning of 'Safety First.'"

### Young Men's Auxiliary

**T**HE Chamber of Commerce of Little Rock, Arkansas, is strengthened in all its work by an auxiliary body, the Young Men's Chamber of Commerce. This latter body has a membership of 200 young men between the ages of 21 and 31

years. They meet every two weeks to discuss matters of local interest and to listen to some address relative to civic betterment. The Young Men's Chamber of Commerce grew out of a political organization called the Young Men's Good Government Club.

Secretary Kirkpatrick of the Chamber of Commerce of Little Rock, thought that the energy and enthusiasm of these young men ought to be made a permanent, rather than a periodical factor for the public good. He reasoned that if these young men could bring about a better condition for the community along political lines, they could also bring about better conditions for the community along civic lines. Steps were taken to give directness and constant civic service to their efforts.

Very valuable auxiliary work has been done by the juniors. Members of the organization that had time to give to investigation have prepared reports on various civic conditions: the park situation; the school as a social center; vital statistics; objectionable features of the billboard, etc. The junior organization also got behind the fly swatting campaign in that city. Also by enthusiastic work it has made Little Rock Day at the annual Hot Springs State Fair a success.

In speaking of this very valuable body, a statement received from Little Rock is included in full and is entitled to consideration in every city where the energy of the young men should be directed towards questions affecting their city.

"Perhaps the greatest good that the Young Men's Chamber is doing, is the good that the young men are doing to themselves. Like that famous remark of a great American orator, that 'Most men sink selfishly into nameless graves, while here and there a few forget themselves into immortality,' so the unselfish patriotism of the young men who compose the Young Men's Chamber of Commerce is cultivating in them, the qualities that make them better, broader, more useful citizens. We have in this country, colleges and universities that teach young men art, and literature and science and business and law, but we have

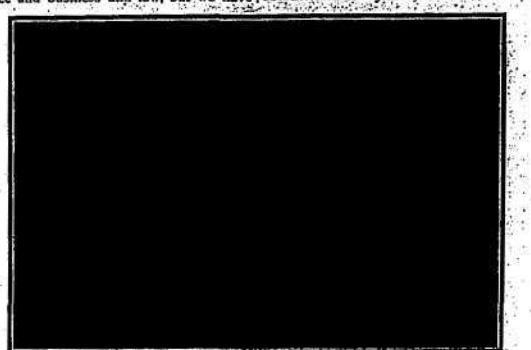
no common school where they are taught that most important of all accomplishments—a republic—how to be a useful citizen. As a school of citizenship, the Young Men's Chamber amply justifies its existence, even though it did so on no other ground."

### Young Men Alive

The Industrial Club of Salisbury, North Carolina, celebrated its Second Anniversary on April 1st. The Industrial Club operates in a city of 8,000 people. Its income last year was a little over \$3,000; its pledged income for the coming year is \$6,000. During the year its membership was, by a well-conducted campaign, increased from one hundred to three hundred. Among the speakers at the Second Annual Meeting were M. V. Richards, Land and Industrial agent of the Southern Railroad; the President and the Secretary of the Greater Charlotte Club; and the Secretary of the Greensboro Chamber of Commerce; and the Editor of THE NATION'S BUSINESS.

An impressive feature relative to the Industrial Club is that it has enlisted the interest and strength of the young business men of the city. A second impressive condition was to find that the officials and the members were all deeply interested in the Salisbury Hot Springs State Fair a success. In speaking of this very valuable body, a statement received from Little Rock is included in full and is entitled to consideration in every city where the energy of the young men should be directed towards questions affecting their city.

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A COMMERCIAL CLUB SPRINKLER.

**T**HE City of Clinton, Iowa, associated in the minds of commercial executives with the "Clinton Plan" as worked out by the Commercial Club, in relation to agricultural affairs has evolved another novelty in adaptation. A franchise granted recently to the street car company of Clinton included among other things a clause providing that the company would operate over its tracks a street sprinkler and flushing car, the city to purchase such a car. It was found that the city had no appropriation out of which a car of that description could be purchased, particularly as the car could serve only a part of the city. Therefore the Commercial Club of the City

got out a subscription paper and settled the question by buying the car outright. The picture is shown above.

The car carries sufficient water for flushing three-fourths of a mile of street or two and one-half miles of ordinary sprinkling. The car is to be used for flushing at night or early in the morning. The water to operate the car has been donated to the city by different companies having a large water waste from condensing plants. The car will, of course, be used only over the paved streets; these streets themselves being an element in the rejuvenation of Clinton with which the Commercial Club has been closely associated.